

BULLETIN

OF THE
NATIONAL ASSOCIATION OF CREDIT MEN.

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New Members Reported During May.

ALBANY, N. Y.

Indestructible Phonographic Record Co., The.....Haydon S. Gaines
BALTIMORE, MD.

Brown, V. J., & SonsH. C. Brown
Buffington, John J., & Co.....Howard O. Buffington
Frey & Son.....S. Cunningham
Kenny, C. D., Co.....G. Hebner
Lilly, Dungan & Co.....Wm. D. Lilly
Reese, Gordon L., Paper Co.....G. L. Reese
Reliable Furniture Manufacturing Co.....Geo. G. Mohllhenrich
Schwartzman, Cabe & Co.....A. Schwartzman
Stebbins, Wallace & Sons.....H. O. Stebbins
Updegraff, Geo., & Son.....H. B. Irvin

BOISE, IDAHO.

Boise City National Bank, The.....J. E. Clinton, Jr.

BOSTON, MASS.

Barry, T. D., & Co.....William A. Hogan
Bird, F. W., & Son.....Elmer H. Bartlett
Martin Mfg. Co.....George J. Martin
Randall-Faichney Co.....J. Watson Hayden
Wright, E. T., & Co., Inc.....Harry T. Wright
Ziegel, Eisman & Co.....

BUFFALO, N. Y.

Cataract El. Supply Co.....H. S. Scott
Cobie & Son.....I. J. Kittinger
Dopp, H. W., Co.....D. W. Sowers
Stuhlmiller Mantel Works.....W. F. Stuhlmiller
White, L. & I. J., Co., The.....John F. Marvin

CLEVELAND, OHIO.

Baird Bros. Co.....R. D. Baird
Bethlehem Steel Co.....R. A. Hamaker
Garfield Savings Bank Co.....Homer D. Cozad
Gas Machinery Co.....Theodore Schroeder
Kenney, C. D., Co.....Robert A. Weppner
Trebing Mfg. Co.....Chas. J. Trebing
Willard Storage Battery Co.....G. E. Rankin

COLUMBUS, OHIO.

Brock, Jas. H.....
Drake, Thomas, Lbr. Co., The.....M. L. Norris
Kearns-Gorsuch Bottle Co.....C. O. Stewart
McElroy, F. C.....
Robinson-Tilton Mach. Co., The.....Erdis G. Robinson

DALLAS, TEXAS.

Commonwealth National Bank.....E. M. Turner
Dallas Buggy & Wagon Co.....M. Murphy
Peter & Company.....W. P. Peter
Waters-Pierce Oil Co.....C. W. Cahoon

DETROIT, MICH.

Pittsburgh Plate Glass Co.....A. H. Gillespie

DULUTH, MINN.

Bank of Commerce.....E. L. Cass
Christie Litho. & Ptg. Co.....John Christie
Crescent Bakery.....James Gray
Duluth Cigar Co.....E. A. Tessman

Fernandez, Ron, Cigar Co.....H. B. Detweiler
 Marx, Fred. C.....Superior, Wis.
 Reed, Tom, Cigar Co.....W. Simon
 U. S. National Bank.....A. J. Wentzel

GRAND RAPIDS, MICH.

Baker, Roy
 Graham, W. S., & J. E.....W. S. Graham
 Joyce, H. M., & Co.....H. M. Joyce
 Kinsey, E. L., Shirt Co.....E. L. Kinsey
 Michigan Seating Co.....H. L. Hitchcock
 People's Savings Bank.....E. D. Conger

INDIANAPOLIS, IND.

Royce Electric Co.....J. L. Hall, S.-T.

JAMESTOWN, N. Y.

Blodget, R. S.....Care Jamestown Worsted Mills

LEXINGTON, KY.

Grant & Hukle.....J. T. Hukle

LINCOLN, NEB.

Lee Broom & Duster Co.....Clinton R. Lee

MEMPHIS, TENN.

Fischer Lime & Cement Co.....Wm. Fischer

Friedman, H., D. G., Co.....M. Jacobi

Reed & Deucker.....J. H. Fischer

MONTGOMERY, ALA.

Prattville Cotton Mills.....M. A. Graham, S.-T.

NEWARK, N. J.

Austin, Herbert.....Thomas French

Belcher, Charles.....Charles Belcher

Collamer, C. M., & Co.....T. Aldendorff

Colyer & Co.....G. W. Schoner

Deerin-O'Brien Co.....James B. Deerin

Hanson & Van Winkle Co., The.....R. D. Foster

Maier, Chas. E., Inc.....Chas. E. Maier

Newark Spring Mattress Co.....Wilfred A. Manchee

Reed, Dawson & Co.....Thos. H. Reed

Schindel, R. S., & Co.....R. S. Schindel

Whitehead & Hoag Co., The.....Frederic P. Crane

NEW ORLEANS, LA.

Crescent Felt Mattress Co.....N. C. Cromwell

Harry Bros. Co. of La.....J. S. Cave

Keasbey & Mattison Co.....A. L. Landry, Mgr.

Koen, U., & Co.....Leon L. Paty

Parker-Blake Co.....C. C. Johnston

Revere Rubber Co.....Robert Bensberg, Mgr.

NEW YORK, N. Y.

Abendroth BrothersJ. H. Randall

Demuth, Wm., & Co.....Louis Bodani

Doane, Charles R.....Albert C. Doane

Greenhut & Company.....Fred N. Hoyt

Law & Commerce Pub. Co.....Geo. N. Murdoch

McCrum-Howell Co., The.....L. Preston Gates

National Surety Co.....E. A. Whitman

Parke, Davis & Co.....William J. Carr

Royal Tailors, The.....Siegfried Ellbogen

Saks & Company.....David R. W. Arscott

Vantine, A. A., & Co.....Edward Brandman

OKLAHOMA CITY, OKLA.

Automatic Musical Co.....	W. J. Glynn
Barteldes Seed Co.....	J. F. Hicks
Bates Mfg. Co.....	F. E. Bates
Hanson, S. H., Bldrs. & Supp. Co.....	W. M. Fowler
Patterson & Hoffman.....	F. E. Patterson.
Pioneer Box & Veneer Co.....	W. L. Stoors
Robison & Son.....	J. A. Robison
Southwestern Paper Co.....	D. T. McIver, Mgr.

PHILADELPHIA, PA.

Gimbel Brothers.....	Geo. A. Peiffer
Miehpaul Mfg. Co., The.....	M. Laupheimer

PORTLAND, ORE.

Arthur, J. M., & Co.....	Alfred Osmund
Averill, A. H., Machinery Co.....	A. H. Averill
Bank of California, Ltd., The.....	J. V. Burchaell, Asst. Mgr.
Crescent Paper Co.....	Charles R. Frazer
Cribben & Sexton Co.....	J. Woods Smith, Mgr.
Gauld Co., The.....	Geo. C. Watkins
Multnomah Trunk & Bag Co.....	S. E. Wrenn, Pres.
Northrop & Sturgis Co.....	T. A. Linthicum
Portland Machinery Co., The.....	T. H. Comerford
Reierson Machine Co.....	R. Reierson
Wadhams & Kerr Bros.....	James Thompson

RICHMOND, VA.

Ainslie Carriage Co.....	Austin Brockenbrough, S.-T.
Bodeker Drug Co.....	W. C. Miller, Sec'y-Treas.
Christian Bros. Co.....	Geo. B. Christian, S.-T.
Ellington & Guy.....	Chas. R. Guy
Heisler, J. A.....	Chas. E. Brauer
Howard & Brauer.....	Chas. E. Brauer
Martindale Mercantile Agency.....	H. L. Watson, Mgr.
Spence-Nunnamaker Co.....	Clarence Gray, S.-T.
Swift & Company.....	J. P. Healy
Sydnor Pump & Well Co.....	Chas. F. Sole, Sec'y
Virginia Baking Co., Inc.....	Ro. S. Christian, Jr., S.-T.

St. Louis, Mo.

American Sheet & Tin Plate Co.....	W. J. Wetstein
Curtis & Co. Mfg. Co.....	J. P. Maloney
Fox, Edwin.....	
Knapp, Geo., & Co.....	W. O. Sommerfield
Mephram, Geo. S., & Co.....	E. A. Thomas
Midvale Mining & Mfg. Co.....	J. E. Cartwright
Point Mining & Milling Co.....	Wm. A. Buddecke
St. Louis Times.....	John Schroers
Vogel, C. A.....	Care Charter Oak Stove & Range Co.

St. Paul, Minn.

Barrett & Barrett.....	F. W. Hemrich
Bell, George, & Co.....	George Bell
Conrad, Max A.....	Winona, Minn.
McGill-Warner Co.....	E. W. Warner
Minnesota Soap Co.....	Benj. W. Rising
Steinmueller, H., & Co.....	Hugo Steinmueller
Weinhagen, Chas., & Co.....	Arthur Strauss
Williams, E. W.....	Winona, Minn
Wright, Barrett & Stilwell Co.....	C. F. Wright

SEATTLE, WASH.

Northern Bank & Trust Co.....J. F. McVay
Romadka Bros. Co.....W. O. Misner

SPOKANE, WASH.

Keller-Lorenz Co.....Robert Keller
Lewiston Mercantile Co.....Frank Thompson
Morrell, Jno., & Co.....W. H. T. Foster
Rubber Mfg. & Dist. Co.....S. G. Hamilton
Spokane Bakery Co.....D. Ackerman
Spokane Paper & Sta. Co.....A. T. Rogars
Traders' National Bank.....A. Kuhn

SYRACUSE, N. Y.

American Credit Ind. Co.....C. S. Baxter
Avery, S. E.....
Brown, Caleb Candee.....
Burhans & Black Co.....W. W. Plumb, Treas.
Commercial National Bank.....Anthony Lamb, Cash.
Crouse-Hinds Co.....H. B. Crouse
Davis, W. A.....R. R. Davis
Empire Wall Paper Co.....G. W. Adams
Finck's, A., Sons, Inc.....C. Smith
First National Bank.....E. S. Tefft, Cash.
Globe Malleable Iron Co.....S. J. Marshall
Gorke, H. J.....
Hall & McChesney.....A. E. McChesney
Hotaling-Warner Co., The.....J. G. Hotaling, Pres.
Hubbard, Charles, Son & Co.....Lucius S. Johnson
Kemp & Burpee Mfg. Co.....Floyd R. Todd, V. P.
Merchants' National Bank.....H. W. Plumb, Pres.
Merrell-Soule Co.....Marion D. Clark
Moyer, H. A.....Frank E. Reid
National Bank of Syracuse.....C. H. Sanford, Cash.
Neal & Hyde.....Byron H. Clow
Oak Knitting Co.....A. G. Velasko, V. P.
Olmsted, H. R., & Son.....Will H. Olmsted
Paragon Plaster Co., The.....W. K. Squier, Treas. and Mgr.
Pass & Seymour, Inc.....L. John Bergman
Peck, W. S., & Co.....E. B. Howell
Phelps-Raby Co., The.....B. F. Phelps, Treas.
Pierce, Butler & Pierce Mfg. Co.....F. W. Fix, Jr., Asst. Treas.
Sager Brothers.....Geo. J. Sager
Salt Springs Nat'l Bank.....Leonard H. Groesbeck, Cash.
Seiter & Seiter.....Frank J. Seiter
Simonds, Elgin A., Co.....C. L. Rosenberger, Sec'y and Treas.
Smith, L. C., & Bros. Typewriter Co.....H. W. Smith, Treas.
Smith Premier Typewriter Co.....Wm. A. Dyer, V. P. and G. M.
State Bank of Syracuse.....F. W. Barker, Pres.
Syracuse Chilled Plow Co.....E. J. Scott, Credit Mgr.
Syracuse Dry Goods Co.....H. B. Buell, Sec'y and Treas.
Syracuse Dry Goods Co.....H. H. Burch, Asst. Cr. Mgr.
Syracuse Hosiery & Underwear Co.....Peter Byrne, Treas.
Syracuse Rubber Co.....John R. Graham
Third National Bank.....L. G. Lacy, Cash.
Thurwachter, L. L., & Sons.....Frederic B. Thurwachter
Walrath, F. L.....W. W. Somers
Woodhull, Goodale & Bull.....Clarence E. Bull

TOLEDO, OHIO.

Blade Ptg. & Paper Co., The.....	George D. Claflin
Bour, J. M., Co., The.....	E. J. Grove
Braun, Torgler & Co.....	B. R. Torgler
Haigh, Fred W.....	
Kountz, Stieg & Co.....	George W. Stieg
Lawrence Mfg. Co., The.....	H. M. Case
Ohio Dairy Co., The.....	H. W. Page
Ruedy, Albert.....	
Sattler, Peter Co., The.....	Edward G. Sattler
Stolberg & Parks.....	F. J. Stolberg
Sun Oil Co., The.....	H. O. Cameron
Toledo Fdy. & Machine Co., The.....	C. E. Wuerfel
Toledo Newspaper Co., The.....	C. A. Collin
Wilcox, M. I., Co., The.....	George A. Weber

TROY, N. Y.

Cluett, Peabody & Co.....	A. Gillespie
Fuller & Warren Co.....	W. Hayner, Auditor
Searle Mfg. Co.....	W. W. Searle
United Shirt & Collar Co.....	Chas. L. Pine, Treas.
Van Zandt, Jacobs & Co.....	C. E. Van Zandt

UTICA, N. Y.

Avalon Knitwear Co.....	Buehn M. Crouse, Treas.
Jones, G. M., & Co.....	G. M. Jones
Thomas, F. R., & Co.....	F. E. Thomas
Utica Burial Case Co.....	F. C. Bulkley, Treas.
Utica Heater Co.....	Edward Norris, Treas.
Utica Rubber Co.....	W. A. North

WICHITA, KANSAS.

Cudahy Packing Co., The.....	J. H. Murray
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YOUNGSTOWN, OHIO.

Hartzell Bros. Co., The.....	E. Hartzell
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A local association of credit men has been formed at Syracuse, N. Y., during the past month and takes its place in the directory of associations as the Syracuse Association of Credit Men. The charter membership comprises forty-four concerns a few of which previously held individual membership in the National Association. The officers for the first year are, Howard B. Buell, of Syracuse Dry Goods Co., president; Clarence E. Bull, of Woodhull, Goodale & Bull, vice-president; L. John Bergman, of Pass & Seymour, Inc., secretary, and Anthony Lamb, of the Commercial National Bank, treasurer.

NOTES.

The Brown Palace Hotel, Denver, Colorado, is to be the headquarters of the next annual convention of the National Association of Credit Men, to be held June 23, 24, 25, 26, 1908. Reservations in the headquarters hotel or elsewhere should be made at once through John Callis, Chairman of Hotel Committee, Rooms 603-613, Mercantile Building, Denver.

The following round trip rates have been established for the convention of the National Association of Credit Men, to be held in Denver, June 23, 24, 25 and 26, 1908: from Chicago, \$30; from St. Louis, \$25; from Missouri river points, \$17.50.

An official list of the affiliated branches of the National Association of Credit Men is published monthly in the "Bulletin." The

Association is not connected directly or indirectly with any association, institution or corporation whose name does not appear in the official roster.

Members of the National Association of Credit Men who have had dealings with the Sprague Mercantile Agency of Chicago, Consolidated Adjustment Co. of Chicago, or Barr & Widen Mercantile Agency, St. Louis, are requested to report the result of the same to the National office.

Members of the National Association of Credit Men are warned against entering into contracts with concerns soliciting bad and doubtful accounts for collection without first communicating with the Secretary of the Association or the Secretary of any affiliated branch. Under no circumstances should members pay fees in advance for services to be rendered in connection with the collection of such accounts.

The National Confectioners' Association Convention, which was to have been held June 17, 18, 19, at Atlantic City, has been postponed to the following week.

The Executive Committee of the Grand Rapids Credit Men's Association held a meeting on May 6, when a number of new members were elected and arrangements made for sending a delegation to Denver.

The attention of the members of the association is called to the fact that the Adjustment Company of St. Paul, Minnesota, is not the official adjustment bureau of the St. Paul Credit Men's Association.

Jacob Gazan, Esq., of the Savannah Credit Men's Association, was a recent caller at the National office. He outlined to Secretary Meek the plans of development of association work at Savannah for the ensuing year.

A large circle within the membership of the National Association of Credit Men will learn with a deep sense of loss, of the death of E. Closset, Jr., of Closset & Devers, members of the Portland Association of Credit Men. Mr. Crosset died May 15.

W. M. Pattison of Cleveland called at the National office a few days ago. Mr. Pattison reports an active demand from members of the Association outside of Cleveland, for space on the special train from Cleveland to Denver. The itinerary includes Colorado Springs, Glenwood, Salt Lake City and Yellowstone Park.

Enoch Rauh of Rauh Bros. & Co. has been elected president of the Pittsburgh Association of Credit Men. Mr. Rauh's predecessor, W. A. Given, retired after having served seven consecutive terms as president. Mr. Given was presented with a chest of silver in recognition of his services for the association.

The newly formed Syracuse Association of Credit Men is already making plans to establish an adjustment bureau, and at its first meeting instructed its secretary to correspond with associations which have well established bureaus. The association has also arranged to be well represented at the Denver convention.

At the annual meeting of the Dallas Association of Credit Men held May 19th, the retiring officers were re-elected to serve for the ensuing year. They are as follows: H. P. McKnight, of the Texas Drug Co., president; G. A. Trumbull, of Huey & Philp Hardware Co., vice-president, and A. V. Lane, of the American Exchange National Bank, treasurer.

A business trip to the Pacific coast, combined with attendance upon the Denver convention, makes up the program from May 16 through June 26, of F. K. Dolbeer, of the National Phonograph Co., who is a member of the executive committee of the New York Credit Men's Association.

The Memphis Credit Men's Association held its annual meeting May 19 and re-elected the officers who served during the preceding year, namely: C. S. Faxon, of Carruthers-Jones Shoe Co., president; W. A. Williford, of B. Lowenstein & Bro., vice-president, and W. R. Cross, of Security Bank & Trust Co., treasurer.

"The advantages of the legal department conducted by the National Association of Credit Men certainly offers a valuable privilege to members and this feature alone is worth much more than the dues." From a letter recently received in the National office from one who makes use of his opportunities as a member.

Wm. L. Fox, of the Buffalo Forge Company, was elected president of the Buffalo Credit Men's Association at its annual meeting held May 14. The other officers elected were Henry C. Steul, of Steul & Thuman Co., as vice-president, and F. J. Smith, of Geo. Irish Paper Co., as treasurer.

At its annual May meeting, H. E. Choate received the unanimous vote of the Credit Men's Association of Atlanta, for the presidency for the ensuing year. J. W. Harlan, of the Armour Fertilizer Works, was made first vice-president, Bolling H. Jones, of the Atlanta Stove Works, second vice-president, and E. L. Rhodes, of E. L. Rhodes & Co., secretary and treasurer.

The Lincoln Credit Men's Association, through Secretary Evans, issued a formal invitation to the members of the Omaha Association of Credit Men, to attend their meeting, held at Lincoln, May 25. This is in line with the intent of the two associations to get closer together for the purpose of influencing business legislation in Nebraska. The principal speaker was Governor Sheldon.

The Wholesale Saddlery Association, the Associated Manufacturers of Saddlery Association, and the National Saddlery Manufacturers' Association, held their convention at Cincinnati, Ohio, June 8 to 12. The program included speakers of national reputation and the convention was one of the largest and most successful held jointly by these associations.

The delegates of the Philadelphia Credit Men's Association to the Denver convention will leave Philadelphia on the Pennsylvania Limited at 1.10 P. M., Saturday, June 20. They extend a cordial invitation to members of other affiliated associations and to individual members of the National Association who would find it convenient to join them in the journey to the Convention city.

Members attending the convention from the Portland Association of Credit Men will ride in a special car, leaving Portland, June 18. The members at Seattle plan to have their special car which will be routed through Portland. From Salt Lake City where all the delegates from far western associations gather the journey to Denver will be by special train.

The officers of the Pittsburgh Association of Credit Men for the ensuing year elected at the annual meeting, May 19, are as follows: Enoch Rauh, of Rauh Bros. & Co., president; A. R. Darragh, of Haworth & Dewhurst, Ltd., first vice-president; G. Brown Hill, of Doubleday-Hill Electric Co., second vice-president; Cyrus Lewis, of Logan-Gregg Hardware Co., treasurer, and A. C. Ellis, secretary.

O. F. Cospers, through whose efforts to a large degree some five years ago the Tacoma Credit Association was formed, has resigned to give his entire attention to the duties of secretary of the Commercial Club recently formed in Tacoma. Mr. Cospers has made the Credit Association a very strong jobbers' protective organization with thirty-two of the best known wholesale and retail concerns of Tacoma in its membership.

Frederick W. Standart, former president of the National Association of Credit Men, delivered an interesting address before the Denver Credit Men's Association at a recent meeting, the subject being "The Fire Insurance Policy." He aimed particularly to give a true understanding of the most important features of the insurance contract and showed how seemingly small neglects often have forced insurers to accept compromise settlements, which a little care would have made unnecessary.

At the annual meeting of the Nashville Credit Men's Association held in May the following were the officers elected for the ensuing year: W. H. Harrison, of Matthews, Harrison, Phelps & Co., president; R. P. Crockett, of Murray, Dibrell Shoe Co., first vice-president; A. H. Meyer, of L. Jonas & Co., second vice-president; George M. Thomas, of Tennessee Carbonating & Supply Co., secretary and treasurer, and Charles H. Warwick, assistant secretary and treasurer.

At a meeting of the Lynchburg Credit Men's Association officers were elected to serve for the ensuing year as follows: Edward F. Sheffey of Craddock-Terry Co., president; H. H. Harris, of Harris-Woodson Co., first vice-president; L. D. Harner, of R. S. Oglesby Co., second vice-president, and J. M. Funkhouser, of Smith-Briscoe Shoe Co., secretary and treasurer. Two delegates to the Denver convention were also elected.

O. H. Perry, who for two terms has been president of the Columbus Association of Credit Men and is a director in the National Association, has been honored by the business interests of Columbus by being elected to the presidency of the Columbus Board of Trade. Mr. Perry has been recognized by the business men of Columbus as one of their most public spirited fellow-citizens who had every quality of leadership for the business development of Columbus. The members of the Columbus Association of Credit Men did all they could to "boost" Mr. Perry in his candidacy.

A. P. Foute, a director of the National Association of Credit Men was a guest of the Dallas Association of Credit Men at its annual meeting in May. In an important address he aroused great enthusiasm among the members in behalf of business men entering into legislative work and showed how necessary men with practical business training are to law-making bodies. He urged the credit men of Texas to make a determined stand for the passage of the Bulk Sales Law in their state and to that end commence at once a campaign of education, especially among the retailers.

Commenting upon the efforts which the National Association has for the past few months been exerting to advertise among its members the fact that they must exercise care in making contracts with collection agencies, and the need of joining in prosecuting those agencies which are constituting themselves nuisances, the *Bulletin of the Portland Association of Credit Men* has this to say: "Each individual's loss through the agencies may be comparatively trivial and he may prefer to lose rather than take any trouble and incur any further expense to regain what has been lost, yet all these claims, small

though they may be, when taken together constitute a rich harvest for the fraud. And the very fact that each is so small gives the fraud assurance that he will escape unscathed."

On June 8th an important joint meeting was held of the Dallas Association of Credit Men and the Dallas Implement, Machinery and Vehicle Club. The purpose of the meeting was to discuss interests particularly political which the two organizations have in common. The Hon. S. J. Hay acted as toastmaster and besides his address there were speeches by the Rev. J. S. Albritton on "Benefits of Co-operation;" A. P. Foote, a director of the National Association of Credit Men, on "Our Duty To-day" and General M. M. Crane, on "Business Men in Politics." Each association had its special representative speaker also, O. Lee Oldham for the Implement Club, and C. C. Lane for the Dallas Association of Credit Men. It was felt that the meeting was a distinct step in the direction of securing in Texas some important business legislation which the credit men have been for some time formulating.

One of the most effective pieces of literature ever issued setting forth the value of the National Association of Credit Men to its members is a leaflet published by the Buffalo Credit Men's Association. The title, "What Our Members Say" is followed by several pithy sentences spoken by well known Buffalo concerns who are members of the association. Here are three out of the many:

"The special information you were able to secure for me in *one* case was alone worth several years' dues."

"The legal department established at the National office is worth at least \$100 a year to us."

"We had an account of \$1,100 which we were unable to collect by ordinary methods. Credit Men's Association letter No. 1 brought check for one-half—letter No. 2 brought settlement for the balance. We know of another concern to whom this party was indebted before they bought from us, who still have their account in the courts for collection. Savings in attorney's fees were at the very least \$50."

Importance of the Inventory.

A wise business man once asserted that he desired an optimist to sell goods for him, but a pessimist to keep his books. The pessimist has his glowing opportunity about inventory time. When it comes to placing values upon stock the taker of an inventory may be as heartless as the appraiser who is employed in anticipation of a constable's sale.

Staple goods which are readily salable to the jobber at invoice prices may be safely listed at those prices, but there is not much of that sort of goods in a grocery store. Stale goods should go in at "forced sale" prices. Allowance should be made for the possible deterioration of fresh goods before they can be sold.

The main object of the inventory is to inform the merchant himself as to the present, conservative value of stock on hand. Another object—that of enabling him to overhaul and dispose of slow-selling goods—is scarcely less important. The inventory is a necessity in securing prompt adjustment of fire losses when they occur.

Let the quantity statements be as accurate as may be, the values conservative, and the new year's business will be started on a safe basis. The inventory may contain some surprises, but they will be of the kind which influence coming business for the better.—*Exchange*.

DENVER REPEATS ITS CALL TO THE CONVENTION.

BUSINESS AND ENTERTAINMENT PROGRAM.

The Denver Credit Men's Association has taken no little trouble to get to every member of the National Association of Credit Men, affiliated and individual, an urgent invitation to come to their city the last week of the present month to attend the Thirteenth Annual Convention of the Association.

Ever since the Board of Directors fixed upon Denver as the convention city, the members of the Denver Association have been hard at work in order that nothing would be left undone to make a great success of the convention from every point of view. Determined that there shall be none but the pleasantest memories of their visit in the minds of their guests, the Denver members have handled with infinite pains the minutest details for their care and entertainment. Every feature of the convention has been placed in the hands of excellently equipped committees, each absolutely responsible for its part in the success of the convention.

Indications point to the conclusion that no previous convention has brought together a gathering of credit men so representative of all sections of the country as the coming Denver convention will.

The entertainment planned for the visitors is very elaborate and attractive and is also such as to facilitate as much as possible a widening of acquaintance on the part of all. The business program, besides the usual reports, includes a very important discussion of country-wide trade conditions.

PROGRAM OF THE CONVENTION.

TUESDAY, JUNE 23, 1908.

- 11.00 A. M.—Convention called to order by the President.
- 11.05 A. M.—Invocation—Rev. C. H. Marshall, Rector of St. Barnabas Episcopal Church.
- 11.10 A. M.—Address of Welcome—Hon. H. A. Buchtel, Governor of Colorado.
- 11.20 A. M.—Address of Welcome—Hon. R. W. Speer, Mayor of Denver.
- 11.30 A. M.—Address of Welcome—Mr. Alexis C. Foster, Denver, Colorado.
- 11.40 A. M.—Response upon behalf of the Convention to addresses of Welcome—Mr. Lee M. Hutchins, Grand Rapids, Michigan.
- 11.50 A. M.—President's Report.
- 12.10 P. M.—Secretary-Treasurer's Report.
- 12.30 P. M.—Address—

RECESS.

- 2.30 P. M.—Announcement of Committees on Resolutions, Auditing, Credentials and Nominations.
Reading of Rules for the government of the Convention.
- 2.35 P. M.—Announcement of Appointment of Chairmen of State Delegations.
- 2.40 P. M.—Report of Legislative Committee. A. J. Gaehr, Chairman, Cleveland, Ohio.
Open Parliament on the report and matters pertaining to the work of the Committee.
- 3.30 P. M.—Report of Bankruptcy Committee. O. G. Fessenden, Chairman, New York, N. Y.

Open parliament on the report and matters pertaining to the work of the Committee.

4.00 P. M.—Report of Adjustment Bureau Committee. H. L. Eisen, Chairman, Milwaukee, Wis.

Open parliament on the report and matters pertaining to the work of the Committee.

Adjournment.

WEDNESDAY, JUNE 24, 1908.

10.00 A. M.—Convention called to order by the President.

10.05 A. M.—Invocation—Rev. R. F. Coyle, Pastor of Central Presbyterian Church.

10.10 A. M.—Reading of communications, etc.

10.20 A. M.—Address—The Lawyer and the Credit Man, by Amos Burt Thompson, Cleveland, Ohio.

10.50 A. M.—Report of Membership Committee. A. H. Burt, Chairman, Buffalo, N. Y.

Open parliament on the report and matters pertaining to the work of the Committee.

11.20 A. M.—Report of Mercantile Agency and Credit Co-operation Committee. F. H. McAdow, Chairman, Chicago, Ill.

Open parliament on the report and matters pertaining to the work of the Committee.

11.50 A. M.—Report of Business Literature Committee. C. S. Faxon, Chairman, Memphis, Tenn.

Open parliament on the report and matters pertaining to the work of the Committee.

RECESS.

2.00 P. M.—Report of Credit Department Methods Committee. J. W. Spangler, Jr., Chairman, Seattle, Wash.

Open parliament on the report and matters pertaining to the work of the Committee.

2.30 P. M.—Report of Investigation and Prosecution Committee. G. Brown Hill, Chairman, Pittsburgh, Pa.

Open parliament on the report and matters pertaining to the work of the Committee.

3.00 P. M.—General Discussion of Business Conditions under Two Minute Rule, by regularly appointed speakers from all parts of the country.

Adjournment.

FRIDAY, JUNE 26, 1908.

10.00 A. M.—Convention called to order by the President.

10.05 A. M.—Invocation—Rev. Father Wm. O'Ryan, Rector of St. Leo's Church.

10.10 A. M.—Reading of communications, etc.

10.25 A. M.—Short Talks. S. A. Hilpp, Louisville, Ky.; Howard Marshall, New York, N. Y.; A. P. Foute, Fort Worth, Texas.

11.15 A. M.—Report of Fire Insurance Committee. C. R. Bernard, Chairman, St. Joseph, Mo.

Open parliament on the report and matters pertaining to the work of the Committee.

11.45 A. M.—Address on Fire Insurance.

RECESS.

2.00 P. M.—Report of Special Committees.

2.30 P. M.—Nominations and Elections of President and Vice-Presidents.

- 3.00 P. M.—Election of Directors.
- 3.15 P. M.—Report of Committee on Resolutions.
- 3.30 P. M.—Unfinished Business.
- 3.45 P. M.—Miscellaneous Business.
- 4.00 P. M.—Adjournment.
- 4.30 P. M.—Meeting of the Board of Directors.

ENTERTAINMENT PROGRAM.

The plans for entertaining the delegates and visitors to the Convention are as follows:

TUESDAY, JUNE 23.

Evening—Reception to delegates, members and visiting ladies at Brown Palace Hotel, followed by dancing. An opportunity for greeting from the members of the Denver Association to the visitors will be afforded.

WEDNESDAY, JUNE 24.

Afternoon—The lady guests will be entertained by a ride in automobiles. After an opportunity has been given to see the magnificent residence and park sections of the city, luncheon will be served.

Evening—A Summer Garden Party to all delegates and visitors, including the ladies. This will be at "The White City," the Coney Island of the Rockies.

THURSDAY, JUNE 25.

A parlor-car trip over the marvelous Moffat Road to the eternal snowbanks on the crest of the Continental Divide will be the feature of this day. Following a picnic dinner served two miles above sea level, the visitors will be entertained by a genuine exhibition of life in the "Wild West," led by Colorado's most famous cowboys and broncho busters. This will be an all-day trip filled with wonderful pictures and novel sights long to be remembered. The committee intends that it shall surpass anything before attempted.

FRIDAY, JUNE 26.

Evening—The closing entertainment will be a Smoker for the men at the Colorado Traffic Club.

TRANSPORTATION.

Any who can conveniently go to Denver via Cleveland, Chicago or St. Louis, are invited to join parties made up at those points. For full information, one of the following should be communicated with: W. M. Pattison, 197 St. Clair Avenue, N. E., Cleveland; or W. J. McMillan, Tribune Building, Chicago; or J. H. Conrades, Jr., 809 Mercantile Building, St. Louis.

Proposed Amendment to the Constitution.

Mr. O. G. Fessenden will offer at the next annual convention an amendment to Article VIII of the Constitution. This article now reads:

ARTICLE VIII.

MANNER OF ELECTIONS.

The President and the Vice-Presidents shall be elected by ballot at each annual convention, in the following manner:

After nominating speeches have been made, the convention will proceed to ballot for said officers for the ensuing year separately, and the nominees receiving the highest number of votes for the respective offices shall be declared elected.

The Board of Directors shall be elected in annual convention, in the following manner:

At the first session of the convention a nominating committee of ten shall be appointed by the President, who shall receive and present to the convention the names of candidates for the Board of Directors. A ballot shall be taken and the three candidates receiving the highest number of votes shall be declared elected for a period of two years; and the four receiving the next highest number of votes shall be elected for a period of one year, to fill the existing vacancies. No affiliated association shall be entitled to more than one representative on the said Board.

The Secretary and the Treasurer shall be elected by the Board of Directors. The offices of Secretary and Treasurer may be filled by one person.

The amendment to be offered will read as follows:

ARTICLE VIII.

MANNER OF ELECTIONS.

The President and the Vice-Presidents shall be elected by ballot at each annual convention in the following manner:

After nominating speeches have been made, the convention will proceed to ballot for said officers for the ensuing year, and the nominees receiving the highest number of votes for the respective offices shall be declared elected.

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At the first session of the convention a nominating committee of ten shall be appointed by the President, who shall receive and present to the convention the names of candidates for the Board of Directors. A ballot shall be taken and the candidates receiving the highest number of votes shall be declared elected to fill the existing vacancies. No affiliated association shall be entitled to more than one representative on the said Board.

The Secretary and the Treasurer shall be elected by the Board of Directors. The offices of Secretary and Treasurer may be filled by one person.

The adoption of the article in its original form was to meet the then existing condition, which required the election of three directors for two years and four directors for one year, in order to adjust the Board so that the term of office of seven members would expire annually.

A Genuine Prosperity Letter from H. G. Moore, President of the Kansas City Association of Credit Men.

The following letter answers a question often asked by business men in recent days:

"I have just returned from a week's trip with our Commercial Club, during which time we visited 103 towns in Kansas, situated in a territory which has for the last two or three years been subject to crop failures, and is in worse condition than any other territory tributary to our city.

"With the exception of two or three tiers of counties on the western end of Kansas, we found conditions extremely favorable and most gratifying. Our party was delighted with the marks of prosperity which was seen on every hand, evidenced as much as anything by the large number of automobiles, we saw, and inasmuch as there has just been a bountiful rainfall all over the territory, conditions in general are as favorable as could be asked.

"Merchandise stocks in this locality have been depleted and the writer feels safe in saying that there are good chances of a shortage

in supplies, not many months hence. In our own case we found the first or contract orders were not as large as we wished but the mail or second orders, as we call them, have made up for the deficiency, and with normal conditions and a realization of the present prospects we should certainly do a very large business this year. This has been a general "clean-up year," and we shall all be that much better off next year because of it, for with small stocks on hand and favorable conditions, the buying will be very large.

Yours truly,

H. G. MOORE, President."

Kansas City, Mo., May 14, 1908.

ARE DEFRAUDED CREDITORS AWAKENING?

CASES WHICH MAY LEAD TO THE CONCLUSION THAT THEY ARE.

Emil C. Fauce, formerly in the paint business at Chicago, has been convicted of perjury and also of concealing his assets while a bankrupt, and sentenced to imprisonment for one year in the House of Correction. Fauce's experiences and his movements since his creditors began to move against him are worth recounting.

The series of events which made him famous began about April 1, 1906, when his stock of goods and household furniture were destroyed by fire. He collected insurance to the amount of \$4,800, the sight of which in one lump proved upsetting to his moral equilibrium for though indebted to his creditors to the amount of only \$3,000, he conceived the idea of settling with his creditors at fifty cents on the dollar. Failing to make his creditors get his point of view Fauce decided to forget them and, depositing his money in a bank to the credit of his wife, made his escape to the Canadian woods on a hunting and fishing expedition. He soon found this quite tedious and otherwise unprofitable, however, and decided that he would better enjoy the sport of hide and seek with his creditors in Chicago than the monotony of the hunt with the risk of encountering a grizzly bear. So back to Chicago he went and for some time dodged around between his mother-in-law and his brother-in-law.

Fauce next, determining to become a rustic, purchased a farm in Wisconsin, and might have been hoeing potatoes there yet had it not been for the firm of Benjamin Moore & Co. of Chicago. Now, this branch of the Moore family has a pretty well established reputation for being good fighters when it comes to getting anti-trust white lead or muresco away from them without putting up a *pro quid quo*. In their opinion they had been nothing less than robbed by Fauce, and were convinced that it was their duty to treat him as robbers should be. Having reached this conclusion L. P. Moore, the manager of the Chicago branch of Moore & Co., retained E. C. Ferguson, Esq., a Chicago attorney, instructing him to take up proceedings against Fauce and not stop till he had been apprehended and punished.

The first move was to file an involuntary petition in bankruptcy. This was about November 1, 1906, and then when Fauce was located in January, 1907, a receiver, who was appointed at Madison, Wis., took possession of his farm.

The following September Fauce returned to Chicago and was arrested on a writ of *ne exeat* and held in jail until December 24th, when he gave bail. During the time Fauce was in jail there were a number of hearings in the bankruptcy proceedings, which resulted in Fauce being taken before Judge Landis, who, acting as United

States Commissioner, bound him over to the Grand Jury. Here he was indicted for perjury and concealing assets while a bankrupt.

Judge Bethea was the trial judge, while the interests of people were cared for by the United States District Attorney, assisted by Mr. Ferguson. The result of the trial was a verdict of guilty and Fauce was sentenced to serve one year in the House of Correction. This case is another illustration of the possibilities afforded under the bankruptcy law for reaching fraudulent debtors.

Two more fraudulent bankrupts have been made to feel the heavy hand of the law. These are Abraham Dwork and Max Brodwin, of New York City, who were indicted for conspiracy in concealing property belonging to a bankrupt estate. So clear was the case against them that when they learned the prosecution was in earnest they pleaded guilty, throwing themselves upon the mercy of the court. Their counsel in pleading for his clients endeavored to convince the court that the defendants had committed "an unintentional violation of the law, and in doing so had laid themselves open in such a manner as to have no chance before a jury." Abram I. Elkus, who prosecuted the case as a special United States District Attorney, exposed the crooked operations of the defendants so convincingly that Judge Holt sentenced Dwork to one year in the penitentiary and Brodwin for a term of nine months.

Newton Baum of Little Rock, Arkansas, filed a voluntary petition in bankruptcy December 24, 1907. As Baum's actions at the time were suspicious, some of his creditors decided to make a thorough investigation and retained Milton B. Rose, an attorney of Little Rock, for this purpose.

Mr. Rose succeeded in producing sufficient evidence to cause Referee in Bankruptcy Waters to issue an order requiring Baum to turn over within ten days \$24,103.86 to his trustee or go to jail for contempt of court. It was shown that Baum purchased goods between September 1 and December 26, 1907, to the value of \$39,349.42. During this period Baum disposed of goods in various ways, amounting to over \$28,000, the greater part of the proceeds of which he failed satisfactorily to account for.

The creditors maintained that he was concealing a large part of his assets, while Baum on the other hand declared that he had lost the money through an indulgence in draw-poker. Baum miscalculated when he sought refuge in the bankruptcy courts, for the law will not permit debtors to slip quietly through a bankruptcy which has been calmly planned for the profit of the debtor.

A History of Some Remarkable Note Juggling.

With the arrest last month by the New York police of three self-styled brokers, an attorney, prominent enough in his time, and several accomplices with police records, a nest of note sharpers was unearthed, revealing swindling operations involving approximately \$300,000 which have brought about the embarrassment of several eastern firms whose commercial paper fell into the hands of the note juggling syndicate. When the police net, which was cast as long ago as February, was drawn in, it was said that the leaders of the gang, then at large, were preparing to open expensive offices in order to carry on more extensive operations to swindle firms by inducing them to turn over their

notes on the representation that the syndicate's strong financial backing would enable it to discount them readily. In the majority of instances where notes were obtained, nothing further was heard of the paper or the supposed brokers until the notes, which had been peddled all through the country, were presented for payment.

The scheme was finally nipped in the bud, but not until many houses had been victimized and several ruined by the demand for the payment of their paper, which was sold for any price obtainable by members of the note-kiting combination.

The first intimation received by the police of the existence of the band of swindlers was through the arrest of James N. Whelpley, in March, on the complaint of a Pearl Street, New York, nail manufacturer, who accused Whelpley of attempting to get \$30,000 worth of negotiable notes from him. Whelpley was indicted and released on bail but the police, to whom he is well known, picked him up again immediately on a charge of defrauding a hotel, and Whelpley went to the Blackwell's Island penitentiary for six months. He has about three months more to serve and when he is released will be brought to plead to the two indictments against him. He had just finished a "bit" at the Eastern Pennsylvania penitentiary for a note kiting case in Pittsburgh, and before he was sentenced to Blackwell's Island he confessed to the New York police that he had worked for Charles A. Gardiner, who has been mixed up in note transactions before and whose photograph is in the Rogues' Gallery. Whelpley also implicated John J. Campbell in his confession of the fraudulent note transactions and the police learned that Campbell was then under a suspended sentence for grand larceny in connection with a stock transaction in Pittsburgh in 1905. There were several complaints against Campbell at this time and the police arrested him immediately and he was sent away to serve the old sentence of four years and four months.

Having disposed of Campbell the police turned their attention to Gardiner and got him. They were compelled to release him owing to lack of evidence, but two days later they received enough information to warrant a conviction. Gardiner had disappeared by this time and the police have not been able to locate him since. There is an indictment against him in Boston.

Campbell was put through the "third degree," to use a police term, before he commenced to serve his sentence, and confessed that he had obtained \$120,000 worth of notes from Hopper, Morgan & Co., paper manufacturers of Watertown, N. Y. Campbell, according to the police, represented to Col. Roger Morgan of the firm that he was going to organize a trust company in Providence, R. I., with several financiers and wanted Colonel Morgan's notes for three months. His references were apparently good and a good bonus was arranged for. Campbell got the notes. Shortly afterward various banks throughout the country began to send them in to Colonel Morgan for collection and Hopper, Morgan & Co., were forced into bankruptcy. Colonel Morgan was arrested on a charge of his creditors that he was in collusion with the note brokers, but he easily proved that he had been duped, and was honorably discharged.

In Whelpley's confession the police learned of the association of John Gundlach and Regulus Shippey with the gang and they were soon under arrest. The links of the chain began to fit and the increasing complaints which came into the District Attorney's office indicated that the victims had all been the prey of the same combination;

Sometime before the arrest of Gundlach and Shippey, who looked very much down at heel and nothing like brokers of any kind, Alfred Vischer, a novelty manufacturer of 621 Broadway, complained to the police that he had been swindled out of \$6,000 worth of personal notes by men who, he said, stated to him that they represented several prominent financiers and could discount the notes for him in ten days. Vischer needed the money and gave up his notes to a man whom he afterward identified as Gundlach. The next he heard of his paper was when some of it was presented for payment by a Boston firm which had purchased it. Vischer refused to take up the notes presented and litigation was instituted by the holder. The maker defended one suit and others are pending. In the meanwhile a corporation of which Vischer was president was petitioned into bankruptcy. Vischer made a specific complaint against Gundlach and Shippey, who were given several preliminary hearings before a city magistrate. Whelpley and Campbell were both brought from prison to testify against them.

Upon his apprehension by the police Gundlach had in his pocket about \$38,000 worth of the notes of Sherman & Co., cutlery manufacturers of Keyport, N. J., who failed. Closely questioned, Gundlach said he was the agent for Charles Barry, an attorney, who Gundlach said was worth over a million dollars and owned large coal interests in West Virginia. Assistant District Attorney Kindleberger, in whose hands the investigations into the note transactions had been laid, caused the arrest of Barry who said he lived at a fashionable New York hotel. Barry originally came from Chicago where he was known as Bary and was fairly prominent. When he was asked the nature of his occupation by the police court clerk who took his pedigree, he replied that he was an attorney, "but more in the promoting line." Barry was specifically accused of the larceny of \$108,000 worth of notes from Sherman & Co.

The Sherman transaction, the police state, had its inception in May, 1907, when P. C. Sherman, president of the company, and H. H. Hull, its treasurer, advertised that the company proposed to increase its business and intended to issue \$150,000 worth of notes. It was through this advertisement that Gundlach met Messrs. Sherman and Hull and introduced them to Barry who Gundlach said was wealthy. He gave good references with respect to Barry, and as a result Sherman & Co. gave Gundlach \$108,000 worth of notes to market, supposing that with Barry's backing Gundlach would have little difficulty. There was no return and nothing further was heard of Gundlach until his arrest. Sherman & Co. managed to recover \$30,000 worth of their notes and traced others to P. Horton Sumner, an ex-convict of the note juggling order. Other notes were found by the cutlery company in the hands of Robert Cornell, or Connell, the colored janitor of the building, No. 72 Trinity Place, New York. The janitor was called to the District Attorney's office and he admitted that he had purchased commercial paper from Gundlach and Shippey and sold it to Gardiner and others for what he could get. He practically conceded that he worked hand in hand with the gang. He was not arrested.

As the police unearthed the facts, they were given publicity and other complaints began to pile into the District Attorney's office. Henry M. Klink, credit manager for the Delhi Silk Co., now in the hands of an assignee, complained that Shipley got \$3,000 worth of notes from his company and attempted to get about \$30,000 worth more.

Garret R. Lindermann, the coal operator of South Bethlehem, Pa., was also victimized of nearly \$50,000 worth of notes, according to his story which he told when the news of the arrest of Barry and the others became known to him. Among other complaints were those of the

Russell Card & Paper Co. which claimed a loss of \$25,000 worth of notes, The Gaynor Grocery Co., loss of \$10,000 worth, Alfred Slocum & Co., \$30,000 worth, the Blue Ridge Enamel Brick Co., \$30,000 worth, and SeEVERS, House & Co., \$5,000 worth.

A Staten Island, N. Y., grocer was the last to appear at the District Attorney's office with a complaint relative to note juggling. The grocer was Conrad Schweikert who said Henry Hauser, representing himself to be a note broker, secured from him \$10,000 worth of promissory notes which the "broker" was to discount at six per cent., two per cent. more to be deducted by him for commission. Schweikert did not get the money he expected, but managed to recover \$8,750 worth of the notes. Hauser was arrested.

Barry, Shippey, Gundlach and Hauser have all been held for trial.

Here the Bankrupt Erred in Trusting to the Supinuity of Creditors.

Upon the bankruptcy law are often heaped abuses for deficiencies existing not in the law but in those who fail to take advantage of its provisions. If creditors will allow fraudulent debtors to escape with the goods without invoking the law which clearly provides remedies, the blame should not in fairness be saddled upon the law.

It is refreshing to learn occasionally of a case where the rights of creditors are insisted upon with the result that the purposes for which the law was designed, namely to give relief to honest debtors and protection to creditors against the designs of dishonest debtors, are accomplished.

The following illustrates the necessity of keeping track of debtors who have wilfully deceived their creditors.

"On December 27, 1903, E. M. Welch, Lisbon, Ohio, a dealer in boots and shoes and rubber goods, made an assignment without preference for the benefit of his creditors.

"At that time he owed L. P. Ross, Rochester, N. Y., \$395.40 for merchandise purchased in August, October, November and December, of that year. He was also indebted to Stewart Bros. & Co., of Pittsburgh, The Mishawaka Woolen Mfg. Co., Mishawaka, Indiana, the three mentioned comprising the bulk of the merchandise indebtedness; the balance of it consisting of indebtedness to the bank and to the father of the bankrupt.

"The assignee reported that the total assets for distribution were \$1,379.90 and total liabilities about \$3,100. The debtor, Welch, had made a signed statement to L. P. Ross on August 17, 1903, within four months of his failure. In this statement he claimed assets to the extent of \$4,605 with liabilities of \$930.11, an equity of \$3,774.89. After his affairs were taken in hand by the assignee, instead of having an equity of the amount above stated he owed twice as much as his assets amounted to. There were at least two items of indebtedness revealed through the assignee's report which were in existence at the time the statement was made to L. P. Ross and which were not included as liabilities in said statement.

"In view of these conditions, George G. Ford, manager of credits for L. P. Ross, communicated with the other merchandise creditors for the purpose of interesting them in an effort to put Welch into bankruptcy so that a more searching examination might be possible, but after carefully considering the matter and after advising with the attorneys representing Mr. Ross, Mr. Ford decided that it would be better to let the assignee administer the estate and await developments. The question of criminal prosecution was also considered but abandoned owing

to the legal difficulties which would have to be encountered. In the meantime, the assignee closed the estate, paying between thirty and forty per cent. and the debtor, Welch, moved to Iola, Kansas.

"Mr. Ford ascertained this fact and forwarded his claim to attorneys in that place and had it placed in judgment, and, following this, Welch became a voluntary bankrupt for the purpose of discharging the balance of his unpaid obligations. A hearing in the matter was set down for February 9, 1907. Although the notice to the creditors was short, Mr. Ford, acting through his firm's attorneys in Rochester and at Iola, succeeded in getting a continuance of the matter and caused to be prepared objections to the discharge through the co-operation of other creditors and the attorneys at Lisbon, O., and they were forwarded to Iola, Kansas, and L. P. Ross' attorneys at that place appeared at the hearing and offered objections to the discharge of the bankrupt. The matter was referred by the District Judge to the Special Master in Chancery, and early in 1907 the hearing took place and the discharge was objected to on the ground that the bankrupt had made a fraudulent statement to L. P. Ross for the purpose of obtaining credit, and for that reason his discharge should be denied.

"After some delay, the Special Master in Chancery rendered his report, sustaining the objection and denying the discharge. Later this report was confirmed by the District Judge, and one more case was recorded in which, through the bankruptcy act, fraud justly prevented the bankrupt from discharging his obligations."

THE LAW GOVERNING THE RIGHTS AND LIABILITIES OF COMMON CARRIERS.

A PAPER PRESENTED TO THE ST. JOSEPH CREDIT MEN'S ASSOCIATION BY
BENJAMIN PHILLIP, ESQ.

Among the multitudinous questions which come to the credit man, those involved in the right and liabilities of common carriers take an important place. The earnest and repeated attempts made of late to codify and make uniform the laws of this department of business indicate that men are awake to the fact that they have suffered long enough from the uncertain conditions of the law as it may be to-day. My endeavor will be to give you a brief synopsis of the general rules of law applicable to the carriers of goods which may be of interest, and possibly of benefit to you in the conduct of your daily affairs. I shall preface my remarks only with two observations: first, that nothing I shall say is original; second, that the mass of law governing the subject is so great and complex, the common law has been so changed by statutes in the different states, and by acts of the Federal Congress, and the pronouncements of what the common law itself is by the courts of last resort in the several states, in many instances have been so divergent and conflicting, that I can only hope, in a talk of reasonable length, to give you in a brief way the more important rules of the common law as declared by the accepted weight of authority in this country.

The responsibility of a common carrier for goods entrusted to him commences where there has been a complete delivery to him for the purpose of immediate transportation. If the carrier, for his own convenience, places them in store, still the liability of the carrier, and not that of a warehouseman, attaches. On the other hand, if, though the goods are delivered to the carrier, anything remains to be done by the shipper before the goods can be sent on their way, as for instance, if by usage or express request, the shipment is delayed for further orders, or

for the convenience of the owner, then, during such delay, the liability is that of a warehouseman only.

A delivery to an agent of the carrier authorized to receive a shipment is a delivery to the carrier, and ordinarily a shipper is justified in assuming that a person in charge of the carrier's usual place for receiving goods has authority to accept such goods and contract for the carrier. Delivery may be made to the carrier wherever he or his authorized agent will accept the goods, and his liability begins with the moment of acceptance. The carrier has the right to make reasonable regulations as to the place and manner of delivery, or the parties may regulate the same by agreement. So if they agree that the goods shall be deposited at any particular place without notice to the carrier, a deposit in that place will constitute a delivery. And, likewise, if goods are left in the place where it is usual and customary for the carrier to receive them, an acceptance by the carrier is presumed; but the usage or custom must be strictly followed, or the carrier will not be bound.

It is the duty of a common carrier to accept and transport all goods offered, subject to the following limitations: Common carriers are not obliged to accept goods of a kind they do not profess to carry, nor to carry by other than the customary means and route.

Common carriers are not obliged to accept goods when their facilities are insufficient to handle them, nor are they obliged to provide sufficient facilities, except that as to railroad companies it may be said that it is probable that they would not be released from the liability to receive goods on the ground of want of conveniences. They are under a duty to supply reasonably sufficient facilities, in return for the special privileges enjoyed by them. The statutes of most states expressly require them to do so, but under such statutes, a railroad company is not liable for failure to provide for an extraordinary or unusual influx of freight.

A carrier may refuse to accept goods not properly packed for shipping, or which are dangerous or likely to injure goods already received. And where goods are of a suspicious character, he may refuse to receive them unless made acquainted with the contents, otherwise he has no right to inquire as the contents of packages.

The law gives a carrier a lien upon the goods for his charges; but nevertheless he has the right to refuse to transport the shipment unless his charges are paid in advance; and so, too, he can refuse to transport goods unless tendered by the owner or his agent.

The carrier must carry indifferently for all who offer. They cannot make unjust discriminations between customers or grant monopolies. And they are entitled to charge for their services a reasonable compensation, and no more. The amount of compensation may be fixed in several ways. The rate may be fixed by a statute which will govern unless the parties have expressly contracted for a different rate. But if the statute fixes a minimum rate which is unreasonably low, it is unconstitutional because its effect is to deprive one of property without due process of law. In the absence of any express contract, the customary rate governs, if there is one, and if not, then a reasonable compensation may be recovered. The carrier is entitled to no compensation for the carriage of goods lost during transportation, unless a lump sum was to be paid regardless of the loss of a part of the goods. Originally, the shipper is liable for the freight, but the consignee becomes liable if he accepts the goods, and the carrier can sue either. A railroad company, in the absence of contract, has no right to charge demurrage, according to some of the authorities, while other courts have held to the contrary.

The carrier has a lien on all the goods for its charges, and has the right to retain them until its charges are paid, but the consignee has the right to examine the goods before paying the freight. This lien extends to baggage, and even to property owned by the Federal Government. But the carrier has no lien on goods delivered to it by any other person than the owner or his agent, and if the carrier obtains possession of goods wrongfully or without the consent of the owner, and on demand refuses to deliver them, such owner may bring replevin or sue for their value. The carrier's lien covers all charges for transportation, including freight advanced to preceding carriers, and when custom warrants, also storage and forwarding. An unconditional delivery of all of the goods is a waiver of the lien; but a delivery of part does not discharge the part remaining from the burden of the entire lien. The consignee may set off any damages sustained against the lien. The carrier cannot assign the lien, nor at common law could he enforce it except by suit to foreclose it. Now, by statute in most of the states, the carrier may sell the goods, after holding them a certain length of time for his charges; but in those states in which there is no such statute, if the carrier sells the goods without foreclosure proceedings, he becomes liable to the owner for their value, less the amount of the lien.

In the absence of a contract to the contrary with the customer, a common carrier, at common law, is an insurer of the goods entrusted to him; his warranty being safely and securely to carry and deliver. In other words, he impliedly undertakes to deliver the goods in the condition he receives them. If goods delivered to the carrier do not reach their destination, or when delivered they are not the same in bulk or condition as when received by the carrier, this is a *prima facie* breach of warranty, for which he is liable.

In an action for loss of goods, it is sufficient to show the non-delivery to the consignee. It is not necessary to prove negligence on the part of the carrier. So proof that goods were in proper condition when received by the carrier and were damaged when delivered is sufficient to charge the company without proof as to how the damage occurred. The carrier is not responsible for loss or damage occasioned solely by the act of God, the public enemy, the act of the shipper, public authority, or the inherent nature of the goods. These are excepted perils. But it is his duty to do his utmost, as against all perils, including the excepted perils I have just mentioned to protect the goods from loss or damage, and if he fails to do so he is nevertheless liable. To illustrate: a railroad company is not responsible for goods destroyed by a sudden, unprecedented flood; for that is an act of God. But if it were shown that the flood was anticipated, and that the company, by the exercise of diligence, could have removed the goods from the place of danger and failed to do so, it would be liable, though the destruction of the goods was caused directly by the flood, since the negligence of the carrier contributed to the disaster. So a carrier is liable for goods stolen, even by force, or destroyed by accidental fire, or injured through the wrongful acts of third persons.

In an action against a carrier, when the loss or damage has been shown, the burden is upon the carrier to show that it was caused by one of the excepted perils I have mentioned, against which he is not an insurer. If he does that, he is not liable, unless the plaintiff can show that the carrier's negligence contributed to cause the loss or damage.

A loss is caused by an act of God when it is occasioned by the

elementary forces of nature, entirely unconnected with any human agency or other cause. Some authorities hold that the act of nature must have been violent in order to excuse the carrier; others that it is sufficient if the accident is in no way attributable to the fault or negligence of the carrier, provided no other human agency contributed. The presence or absence of violence is immaterial except in its effect on the question as to whether the carrier exercised due care to preserve the goods. An act of God is not synonymous with inevitable accident. Every act of God resulting in loss is an inevitable accident, but every inevitable accident is not an act of God, and so if an accident happens which is inevitable, but which has its origin either in whole or in part in the agency of man and loss results, the carrier is liable. An act of God, in order to excuse the carrier from liability, must be the exclusive cause of the loss. It is the duty of common carriers to use reasonable care and diligence to avoid all loss or injury, even from causes against which they are not insurers. If they fail to do so, and the goods are damaged by an act of God or other excepted peril, their negligence is regarded as the approximate cause of the loss and the carrier is held liable therefor. If the carrier negligently exposes the goods to peril from an act of God, as where he puts to sea in an unseaworthy vessel, or attempts to cross a stream with an insufficient team, or when a dangerous wind is blowing, he is liable for the resulting loss; and even where goods are injured by an act of God, it is the carrier's duty to render the loss as light as possible, and if he negligently fails to do so, he is liable for all losses which he might with reasonable care have prevented; and so, if the carrier without necessity or reasonable excuse deviates from the usual or agreed route of travel, he is absolutely liable for the loss of the goods without exception from any cause whatever, even though that cause be the act of God.

The common carriers are not insurers against losses caused by the acts of the public enemy, by which is meant an organized military force with which the country of the carrier is at war; but pirates, loss by thieves and robbers, rioters, and the like do not fall within the exception. But, as in the case of losses by act of God, the carrier is liable for losses by the public enemy if his negligence contributed thereto, and so if he deviates from the route agreed upon, he is absolutely liable for all losses, and it is wholly immaterial whether the loss would have happened without such deviation or not. Of course the common carrier is not insurer against loss caused by the fraud or fault of the shipper. For example: carriers have a right to know the value of goods offered for carriage, in order that they may know what care to exercise and graduate their charges according to the risk, and it has therefore been held that if the shipper misrepresents the value of the goods and they are lost, the carrier is not liable. The shipper need not state the value unless asked to do so, but if asked, he must state the value truly; and even if he is not asked, he must not mislead the carrier into thinking the goods are of little value. Thus, where money was shipped concealed in a bag filled with hay, the carrier was held not liable for its loss; and so, it has been held that where the carrier was deceived as to the value of a diamond ring which was packed in a small paper box, tied with a string, it was held that the carrier was not liable for its loss, whether fraud was designed on the carrier or not.

Where the consignor of goods is guilty of negligence in not properly marking their destination upon them, the carrier is not responsible for injuries resulting from their being misssent or delivered to the wrong

person; and neither is he liable for goods which are injured by reason of improper packing, of which the carrier has no knowledge. The carrier is not liable for goods taken from him by public authority; thus, where intoxicating liquors, or goods infected with contagious diseases are seized by the police power; or where goods are taken from him by legal process, fair on its face, the carrier is not liable. It is manifest that he is not insurer against loss caused by the inherent nature, defect or infirmity of the goods, such as decay of fruit, the evaporation or leakage of liquids, and the like, unless, of course, the negligence of the carrier contributes to such loss.

In the absence of special contract, common carriers are bound only to use reasonable care and diligence in effecting the transportation without delay in the usual course of business. There is not the same absolute liability in delay as there is for loss of or injury to the goods. In that regard he is not the insurer, but even if the delay in transportation is unreasonable it does not amount to a conversion, and therefore, one is bound to receive the goods when tendered at the proper place however long the delay. In case of delay only, the measure of damages is the loss proximately caused by the delay, not the value of the goods. What is a reasonable time in which to make delivery is a question to be determined with reference to all the circumstances of the case, such as the distance, the mode of transportation, the weather, the season of the year, and the like, and the carrier is not liable for damages resulting from delay where the delay occurred wholly without his fault or negligence. Accident or misfortune, though not inevitable nor caused by the act of God will excuse delay. If, for instance, it is caused by mobs or strikers or collision or heavy snow or an unusual press of freight, and the like. Under some circumstances delay may even be a duty, as where the safety of the goods demands it, for the law regards the safety of goods of more importance than a speedy delivery. Where a carrier agrees to transport and deliver goods within a stipulated time he is absolutely liable if he fails to do so. In such circumstances, he is not excused, even by act of God. The only excuse in those circumstances is that the shipper failed to deliver the goods to the carrier in accordance with his contract.

By express agreement, common carriers may limit their liability, but they cannot stipulate against liability for negligence, either of themselves or of their agents or servants, unless that right is given by some express statute. The carrier may contract against his liability as an insurer but not against his liability for damages caused by his own or his servants negligence. There is much conflict in the decisions on the question as to whether a carrier can limit his liability to an amount less than the actual value of the property as against a loss through his negligence. There are many courts of great respectability which hold that such limitation is void. But the great weight of authority, including the Supreme Court of the United States and Missouri, holds that where there is an adequate consideration for the agreement, a contract limiting the amount which may be recovered in the event of loss resulting from the carrier's negligence is binding upon the shipper. But there must be a consideration for the agreement. For instance, most bills of lading which you handle provide that in consideration of a reduced rate the value of the goods is agreed to be a certain sum and the amount of recovery shall not exceed that sum. If, as a matter of fact, the carrier has in force two or more different freight rates, depending upon the value of the goods shipped, and if, in consideration of a certain valuation placed on the goods, the carrier gives a lower freight rate than he other-

wise would, a stipulation in the contract limiting the amount of recovery in case of loss by the carrier's negligence to the valuation agreed upon would be void. But if the carrier in fact has but one rate in force, or if by law he must charge a certain rate and he in fact charges that rate, then a stipulation limiting the amount of his liability would be void, even though the contract recited that a reduced rate of freight was given, for the recital would be entire and there would be no consideration for the agreement. In other words a mere statement in a bill of lading that a reduced rate has been given is not sufficient if it can be shown that, as a matter of fact, there was no reduced rate.

Carriers may, by special contract, require any claim for damages to be presented within a given time, provided the time allowed is reasonable, and if the claim is not presented within that time, there can be no recovery. What is a reasonable time depends upon the circumstances of each case. So a contract regulating the manner of presenting claims is valid, if reasonable. For instance, a contract requiring the claim to be in writing, or at the place of shipment, or that it be sworn to, or made to a particular officer is valid, and if the claim be not so made there is no liability. All contracts limiting liability are to be construed strictly against the carrier—all doubts and ambiguities being resolved in favor of the shipper. Whether such contract is valid or invalid depends upon the law of the state in which the contract is made, not the law of the state in which it is attempted to be enforced. A common carrier may, by special contract, bind himself for transportation over connecting lines to points beyond his own line, and if he does so, he is liable as a carrier for the whole route, whether the loss occurs on his line or the connecting line; and the connecting carrier, on the other hand, is entitled to the benefits of all the stipulations and exemptions from liability which is secured under the contract to the initial carrier. But if the carrier stipulates only to carry to the end of his own line and there deliver to a connecting carrier, then the liability of the initial carrier ceases upon a delivery of the goods in proper condition to the connecting carrier and the latter is not entitled to the benefits of or exemptions in the contract in favor of the initial carrier.

A common carrier's exceptional liability terminates when the carriage is completed in accordance with the contract. Thus, when the shipment is delivered to the consignee. A railroad company need not make delivery to the consignee personally, for its cars cannot leave its tracks, but an express company must do so, except in small way stations where the volume of business does not justify a special delivery agent. The delivery must be to the consignee or his agent, and if delivery is tendered and refused, or the proper charges are not paid, the exceptional liability of the carrier is at an end. So where the consignee is dead or cannot be found after reasonable endeavor to do so, the carrier is no longer responsible for the goods as a carrier. Where goods are delivered to a carrier C. O. D. the duty of the carrier is to deliver the goods safely, collect on delivery and return to the consignor the amount received. If the consignee refuses to receive the goods when tendered, the carrier's liability as an insurer is at an end and he is from that time liable only as a warehouseman.

By the great weight of authority the liability of a carrier as an insurer ceases when the shipment is unloaded on the depot platform at the place of destination, even without notice of arrival to the consignee, and from that time the carrier, whose duty it is to store the goods, is responsible as a warehouseman only. Where the consignee is to unload the car, the carrier's liability as such does not cease until

the car is placed in a proper position for unloading. If the car is delivered to the consignee on a switch track, it has reached its destination, and while the car is under the control of the consignee the liability of the carrier is suspended.

And so a carrier's liability ceases when it has delivered the goods to a connecting carrier, unless it has agreed to carry the goods to destination, in which event it is responsible for a loss occurring on the route of every connecting carrier to the place of destination.

If, after the goods arrive at destination they are stored by the carrier, he becomes a warehouseman. He is no longer an insurer. He is liable for loss only if he is negligent and the burden of proving negligence is cast upon the person claiming damages.

A carrier is excused for non-delivery, when the goods are demanded by one having a paramount title, when they have been lost through an excepted peril, or when the consignor has stopped them in transit.

The right of stoppage in transit exists when an unpaid vendor learns of the insolvency of the vendee before delivery of the goods is made to him or his agent. The right exists only in favor of an unpaid vendor. It can be exercised only when the vendee is insolvent. If when the goods are shipped the vendee is insolvent and that fact is unknown to the vendor, or if the vendee becomes insolvent after the goods are shipped, the goods can be stopped until actual delivery to the consignee or his agent. If on arrival they are seized on execution or attachment against the vendee before delivery to him, the right of stoppage still exists. To exercise the right, the vendor must notify the carrier to stop the goods before they are delivered to the vendee. It is sufficient if the carrier is notified not to deliver the goods to the vendee; it is not necessary that the vendor demand a return of the goods to himself. And if the right of stoppage exists and notice to stop is given to the carrier in proper time, he will be liable to the vendor for the value of the goods if he fails to stop them.

This, in a general way, is an outline, a mere synopsis of the rules applicable to the duties, rights and liabilities of common carriers relating to the ordinary shipments of merchandise in which you are daily interested. I have merely given you general principles. I could not hope to do more. If I have acquainted any one of you with any one thing that you did not already know, I shall be many times repaid for the little effort which the preparation of this paper has cost.

Sufferers from the Abuse of the Trade Discount Will Gain Fresh Hope from This Letter.

One of the members of the Cleveland Association of Credit Men recently received a letter from a western customer which is highly interesting and in line with the stand taken by the National Association of Credit Men at its last convention on the subject of excessive discounts. Perhaps it is evidence that there is growing up a healthier view of what is fair and right among business men in this matter, but at least it is evidence that there are some concerns who consider that their reputation for transacting business on proper lines is of greater importance than any gain which might accrue from violation of right methods. The instance should act as an object lesson to parties who are in the habit of taking discounts which do not belong to them. The excellent impression given regarding the house which issues such a letter is deep and abiding. "To the trade:

Due to fault on our part (too much merchandise) and the money panic of last fall, we were during the closing months of last year and

the early months of this year, unable to continue our long-established method of payment for merchandise, viz.: either anticipation or full discounts. This involved a vast amount of extra work for our remittance department and we quickly found that there is no well established and uniform custom in the trade for treatment of discounts deducted after first discount period. We are naturally desirous of limiting the loss of discounts as much as possible, but we are more anxious that every account be settled justly and to the entire satisfaction of the party concerned. We beg, therefore, to say that if in the settlement of your account a greater discount were deducted than you consider just, we shall be pleased to adjust the matter to your satisfaction.

We thank you for all courtesies extended from time to time and with best wishes, we are,"

Signed

HAS THE NATIONAL ASSOCIATION OF CREDIT MEN MEASURED UP TO ITS OBJECTS AS NAMED BY ITS FOUNDERS?

AN ADDRESS BY GEORGE R. BARCLAY, OF THE SIMMONS HARDWARE CO.,
BEFORE THE LOUISVILLE CREDIT MEN'S ASSOCIATION.

Credit and commerce are inseparable. Without credit the wheels of commerce would revolve but slowly, if at all; therefore, when you consider the important part credit takes in the commerce of the world, you will clearly understand why it is necessary to have a certain amount of system in dispensing credit and to safeguard this system as far as possible with laws, federal and state. All credit men are supposed to be clever and up to date in their chosen profession, but I am safe in saying—for I speak from experience—all clever and up to date men are not credit men, and some of them keep the credit man very busy and some of them occasionally succeed in placing him in rather an embarrassing position with his house. It was in order to discourage and punish the vultures of commerce, that the National Credit Men's Association was organized, for truly, in unity there is strength.

In adopting a constitution and by-laws for the government of the association, the objects, aims and purposes of this association were declared as follows:

To unite credit men for the protection of mercantile credit.

For diffusion of ideas regarding the proper granting of credit.

To obtain improved service from mercantile agencies.

To induce legislation for the promotion of honesty in business.

To prosecute fraudulent failures and guard against imposition.

To establish closer ties between business men, as well as between them and their customers.

To aid by precept, example and counsel in removing causes that lead to financial failure.

To assist in establishing uniformity in business customs and laws.

To promote the interchange of credit information.

Twelve years have elapsed since the adoption of these purposes of organization, and I wish to take up a few of the paragraphs of the preamble, to determine how the aspirations of the founders of our association have been fulfilled.

The first declares our object to be, "To unite credit men for the

protection of mercantile credit." I feel safe in saying that the best possible results have been obtained and those of you who have been credit men for the past fifteen or twenty years, fully realize the changed conditions and what a genuine feeling of fraternity has been engendered, to the extent that you have full confidence in your brother credit man, even though he may be a competitor, and are willing to exchange views with him regarding mutual customers to the end that the best interests of all may be conserved.

"For diffusion of ideas regarding the proper granting of credit." Here again is an opportunity for an exchange of views and as fair to one as the other. I don't care how clever a man may be, he cannot know it all, and his neighbor—who perhaps in the broad sense of the word, is not so bright, still may have an idea worthy of emulation.

"To obtain improved mercantile agency service." Much has been accomplished and we find by experience that the large agencies are at all times willing to adopt a suggestion of our association if it shows merit and is not antagonistic to the legitimate work and scope of the agency. Those of you who use the agencies largely, I feel sure, can testify to an improvement within the past few years. More work along this line is in hand and I feel hopeful of good results.

"To induce legislation for the promotion of honesty in business." While it is true, you cannot make a man honest by legislation, you can put laws upon your statute books with such penalties as will at least discourage a wrong deed and in a great many cases deter him from trying his nefarious schemes. We can point with pride to our accomplishments. The passage of the Bankruptcy Bill in 1898 was largely due to the influence brought to bear on Congress by our association, and while the bill as it stands is not perfect, it is far better than no law at all and I confidently believe that within the next few years, amendments will be made to it that will give us a bill that will meet the requirements and compare favorably with the English law, which has been tried for many years and is accepted as a just and equitable measure. Your Committee on Bankruptcy has certain amendments now before Congress, which will, if passed, go far in making the bill acceptable to both debtor and creditor class.

"To prosecute fraudulent failures and guard against imposition." A great work has been done along these lines and it is now a rare thing to hear of a fraudulent failure and nearly every case that is brought to light, lands the guilty man in the penitentiary, or at least gives him such publicity as to bar forever said person from again engaging in mercantile pursuits. It is not the aim of our association to persecute, but to prosecute to the full extent of the law, those who by fraudulent means endeavor to obtain goods under false pretenses. Unfortunately, the bankruptcy law does not cover all kinds of fraud and therefore, it becomes necessary to put upon our state statute books laws preventing the sale of stocks of merchandise in bulk, known as Bulk Sales Law and due to the intelligent work on the part of our local associations, this law now stands among the statutes of thirty or more states which is entirely due to the efforts of the local credit men—reinforced by the prestige of the National Association.

"To establish closer ties between business men, as well as between them and their customers." I can hardly estimate the good results that have accrued from the observance of this particular part of our constitution. Every credit man who is a member of the association, knows how much better he is equipped to handle his business by reason of his closer relationship to other credit men. I might go on and take up in

detail, other articles of the constitution, but I don't consider it at all necessary, as I feel confident my hearers fully appreciate the value of the work done by the Association and also realize that it could not have been accomplished by any other agency. To those of my hearers who, perhaps, have not given much thought to the Association work, a few words: Do you feel that your credit man can do your business or himself full justice if he is deprived of the privilege of meeting with his fellow credit men for a full and free discussion of those questions which come up daily in his office work? Do you not want him as well equipped as your neighbor, possibly your competitor's credit man? I am sure you will say yes, and that being the case, why not let his name be presented at the next regular meeting of your local association. The principal of my house, a recognized man of affairs whose name is known from the Atlantic to the Pacific and from Maine to California, has always thought well of our Association and rather insisted upon my attending every meeting of both local and National Association and at the present time, every credit man in our house—and there are three besides myself—are active members. There are many other reasons besides those I have enumerated why your credit man should be a member. There are, at present, sixty-five local associations—all active, and composed of the leading credit men in their respective cities. In many instances, the principals of houses handle their own credits and regularly attend the meetings. Can you afford to deprive your credit man of this most desirable acquaintance and the good results that will most surely follow? I think not. The National Association issues monthly, a bulletin, which is invaluable to business men, keeping them in touch with conditions throughout the country. It has secured the enactment of laws prohibiting the use of fictitious names in business. It is watching legislation in every state to prevent objectionable laws being passed and to aid in the passage of proper laws. It has successfully prosecuted numerous cases offhand and the guilty ones are in the penitentiary. I might go on and enumerate various other reasons why this Association is worthy of your moral support, but I am sure it is not necessary. We want every first class manufacturer, jobber and banking institution enrolled as members and we will then be equipped to go before Congress or State Legislatures with our requests for sound laws and be sure of a respectful hearing and the enactment of safe and sound laws in the interest of commerce, and that is all we shall ever ask for.

We have certainly passed through most trying times the past few months and the credit man above all others has cause to remember this and will for many years to come. The issue has been met in a manly and forceful way and we can now look back and review the situation and fortify ourselves better to combat such a crisis should it ever occur again. It was a condition without precedent, hence required clear minds and an abiding faith in the stability of our government and the honesty of our citizens, and thank God, we overcame the obstacles and have again settled down to normal confidence. Were it not for that faith in human nature, confidence, if you will, which has been engendered and fostered by the National Association of Credit Men, I shrink from thinking what the results might have been. I am not going to discuss the cause or effect of the financial flurry. It is over. Let us try to forget it, except for the lesson it has taught. You will pardon me for a word in passing—while conditions throughout the country are fast assuming their normal, we can have no general prosperity until the railroads prosper, our prosperity came to us hand in hand, interlinked with the prosperity of the railroads and that same prosperity went down

and left us as the railroads ceased to prosper. Therefore, it is clear that our general prosperity must come up again with the prosperity of the railroads. They are the thermometers of commerce. Watch them if you would know how to govern your business, for they are an unerring guide and when they again show prosperity, mills and factories can light their fires and employ their full quota of men. Merchants can, with safety place large orders for merchandise because the wheels of commerce will begin then, to revolve at a lively and healthy rate, and not until then.

Senator Reed Smoot in a recent speech said, "The present financial trouble is the result of a breaking down of our credit system." This, of course, referred to matters financial, not mercantile. I mention it to show what a power credit exerts and how carefully it should be guarded. Therefore, it is incumbent on us to perfect our system of credit-giving and we can only do that by close co-operation and association work.

Give your credit man a chance to mix with other credit men. A timid credit man cannot do you full justice. Let him overcome this by contact with others. Many a man of ability has continued in the rut because he was too timid. Have him take an interest in public affairs. It is a duty we owe to our country.

Do you know that business is getting so popular that the larger eastern colleges have established "Commercial Departments." They are only taking up the work inaugurated by the Credit Mens' Association and, while they give their students a theoretical education, we give them a practical course. Both are good, but what school do you want your credit man to follow. Business is a science. Men who study it as a science succeed. Men who trifle with it fail. The man who reasons and who adapts his business to reason wins. Men fail because they do things in the wrong way. To know the right way requires no university education. The laws of success are so simple that they are almost trite.

In speaking about what has been accomplished by the association, I cannot close without giving due credit to those men who have given of their time and thought and made possible the splendid results obtained. We have been most fortunate in having as officers of the Association men of ability and initiative, men who had the courage of their convictions and who have by their intelligent work and wise course, placed us foremost in the list of commercial bodies in the United States. It has been my privilege and pleasure to know these men personally and I am proud of their friendship. We have been especially fortunate in the selection of our executive officers and to them is due great credit for our standing to-day, such men as James G. Cannon, John Field, Tregoe, Standart, Fessenden and your own townsman Gettys, the presiding officer. All of these men have worked hard and intelligently in the interest of the Association and are entitled to the thanks of every man in business in the United States for what they have done in the interest of commerce at large. Your city is to be congratulated in having as a citizen a man who commands the respect and admiration of every credit man of standing in the United States, likewise the National Association is to be congratulated in having as its standard bearer, such a fine specimen of young manhood, strong mentally and physically—well equipped in every way to assume the responsibilities of the office and whose record as an officer stands second to none of his predecessors. He is truly the man eminently qualified in every respect to wear the mantle of office and right gracefully does he bear his honors.

GRANTING OF CREDIT.

Conservatism the Result of Better Business Methods.

By F. H. McADOW, CHAIRMAN OF THE COMMITTEE ON MERCANTILE AGENCY AND CREDIT CO-OPERATION OF THE NATIONAL ASSOCIATION OF CREDIT MEN.

Credit is based upon confidence. The derivation of the word (from *credo*—I believe) implies faith. This faith or confidence rests upon a belief in the ability of the person to whom credit is extended to pay the obligation undertaken.

Every creditor is also a debtor and vice versa. The problem has two sides: How to get credit as well as to whom to give credit. The extension of credit therefore involves not only confidence in the ability of the debtor to pay, but the time of the payment must be so regulated and the maturity fixed at such period as will enable the creditor to meet his obligations as a debtor.

Because more than ninety per cent. of the vast volume of the business of the nation and of the world is done upon credit, in some form or another, and only a small part, less than ten per cent., is represented in actual cash transactions, the question of credit outranks relatively all other economic problems in importance.

It is an endless chain in its operation. Each creditor collects what is due him so that he in turn may satisfy his creditors. The question of terms must therefore be carefully considered also in the extension of credit, and must be fixed so the merchant or manufacturer shall receive returns on what he sells, in time properly to meet his maturing debts or obligations. If A pays B the latter can pay C, and so on round the circle.

The only break in the chain seems to be on the part of the farmer, who as a rule assumes the debtor role only. He sells his products strictly for cash, but too frequently buys only on time, and the longest time he can possibly obtain.

This phase of the question is now being more carefully considered than ever before—when credit has been expanded to the maximum limit. The matter of terms is now being forced to a more reasonable basis.

Credit is, in some degree at least, forced to contract, instead of continuing to expand as in the past. The manufacturer and merchant are being forced to shorter terms in marketing products, and are coming relatively nearer to a cash basis.

The deep interest in this question of credit in recent years does not grow out of the fact that worse business conditions exist now than in earlier days. The question merely assumes greater importance because everywhere better business methods are being sought after, while the growing volume of business and expanded credits makes a demand for more care in granting credit. Competition reduces margin of profits, and losses from bad debts must therefore be eliminated or reduced to a minimum.

In this discussion of the question, which must necessarily be limited in its scope, the granting of credit is the only phase to be considered. Whether it is the granting of credit by a banker to a manufacturer or a merchant; by a manufacturer or jobber to a retail dealer; or by a dealer to a farmer or consumer, there are certain basic principles which must govern in every case alike, if the credit is judiciously bestowed.

Credit being based upon confidence, the dispenser of credit must be able to find facts and reasons for this confidence.

The leading commercial agencies, which are the dictionaries of credit for the banker and merchant, publish compilations of failures each year,

in which they figure out as accurately as possible the causes of failures. These tables give a basis for experience. When causes are known they can be guarded against in the future with some degree of success, and the chief causes are capitulated as follows:

1. Lack of capital.
2. Incompetency (lack of business ability or experience).
3. Dishonesty.
4. Inability to make collections—or granting credit unwisely.

Now since it is definitely ascertained that the above causes contribute to almost all failures in business, it would seem a self-evident truth that credit can be safely extended only where these causes are eliminated and the information obtained shows that they do not exist.

Since the above are the causes of failure, then their opposites become the essentials upon which credit may be safely based, and the credit man should look for these requisites.

1. Capital.
2. Character.
3. Capacity or ability to conduct an enterprise to success.

The above arrangement is stating these three essentials in the order of their importance. A man may have an earnest desire to pay his obligations, may be strictly honest in the usual acceptance of that term; but he must also possess the means and the resources with which to carry out his good intentions. Honesty alone will not pay a bill, and especially it will not and cannot pay it on time. For reasons heretofore stated, "Time is an essential element," in the credit system, as well as elsewhere.

Honesty or character has its place, though it may be secondary, for a man may be worth \$100,000.00, and yet less deserving of credit, because of his methods or record as a debt payer, than many men worth less than \$1,000.00.

Capacity.—This is the opposite of incompetency, and the latter is a fruitful cause of inability or failure to meet obligations. Capacity, in fact, is almost equal in importance to the first two qualifications named, for a man who will seek to engage in business at all, without capital, ought to be classed as incompetent or lacking in judgment and ability. Furthermore, if he incurs obligations to an unreasonable amount, without resources in hand or in sight to meet the same, he is thereby throwing doubt in some degree upon his honesty of purpose also.

The dealer who applies for credit makes his property statement to the mercantile agency, or to his creditor, as an exhibit of his capital and resources. The farmer or consumer who seeks credit of the dealer has his capital usually in his farm. Or he may have money loaned out at interest. This kind of asset, or an unincumbered farm, makes a showing of capital about which the dealer can easily obtain information. The reputation for honesty is easily determined from inquiry or references. The only remaining question is that ability to manage his property on a paying basis.

With the dealer, as with the banker or merchant, it is not difficult to decide these points with the great majority of those seeking credit. The losses are usually made with about five per cent., or even a smaller percentage of his customers, and here is where the science of granting credits comes into play. It is in these close decisions that the danger lies.

The dealer is usually careful in such cases to get all the information and facts that are obtainable, and if he makes a mistake or loss results, it is because he failed to make proper deductions from the facts before him. Is there any fixed and infallible rule that he can follow here?

This is the dangerous ground in granting credit. The article under barter may be something a long time on hand and he wants to close it out. The deal may carry a better profit than usual, and is therefore tempting. It may be a bad season, business is dull, he is overstocked and anxious to reduce his merchandise. Such considerations sway his judgment the wrong way, and even though intuition and experience are advising him against the risk, he hesitates and yields.

If there is any rule that can be laid down for such cases it is this: if in any doubt, don't make the deal. Take the benefit of the doubt for himself instead of giving it to the applicant for credit.

Hon. Wm. A. Prendergast, in his comprehensive manual "Credit and its Uses," under the heading "Individual Credits" (p. 87) touches this point clearly, where he says: "A small business, with good collections and fair profits, is always safer in the end than a big business built upon unwise credits; for the latter not only invites commercial failure, but the mental and physical strain upon the dealer is a detriment to him both in a personal and physical sense."

In the same connection he says: "One of the evils of the credit system, and particularly in individual credits, is the too great liberality in extending credit."

These are self-evident truths. The ground of safety for the dealer is to become more essentially for the time being, a credit man, rather than a salesman, when one of these deals involving a doubtful credit is under way. He needs then to have every faculty on the alert, and be guided by his keenest business judgment. He should not be swayed or influenced by other considerations, but "hew to the line."

There will then be no after regrets or anxiety. He should keep ever before him the thought: Will this account be collectable in time to meet my maturing obligations? If he grants credit unwisely, it may result in straining his own credit later on, and he cannot afford that. Better have the goods in the store.

To summarize: Is not this the truth—the essence of the whole matter?

In all granting of credit there is only one safe basis: Be sure that the applicant for credit possesses the three essentials: Capital—the resources with which to pay bills when due. Character—or its synonym, honesty, which will make him willing to pay when due, thus enabling the dealer to meet his maturing obligations and maintain his own credit. Capacity—which will insure that what now seems to be adequate capital and resources for payment of the debt, will be properly conserved and not be dissipated or squandered before the account matures.

Modifying somewhat, and adapting the language of an ancient writer: "And now abideth as a basis for credit, Capital, Character, Capacity—these three; but the greatest of these is Capital."

Bulk Sales of Poetry.

"What are you paying for poetry to-day?" the long-haired man inquired.

The editor glanced at the closely rolled manuscript in the visitor's hands.

"I'll have to consult the janitor," he said. "We are not buying heavily at present. Just a little now and then to accommodate our friends. But we never buy it in less than ten-pound lots."

Whereupon he went back to his desk and the caller faded away.—
Cleveland Plain-Dealer.

Breaks Into Verse.

H. E. Choate, treasurer of the J. K. Orr Shoe Co., of Atlanta, is likely to bring added fame to himself through verse-writing. He turns his hand to this art with comparative ease, though he has no idea of becoming a professional rhymor but finds his way into poetry, because like every good credit man he is determined to be equal to any sort of circumstances when forced into crossing swords with customers. Further comment is unnecessary. Let each read and enjoy for himself.

Hatchechubbee, Alabama,
April 30, 1908.

"To J. K. Orr Shoe Co.,
Atlanta, Georgia.

I find it convenient my check to send
So you your "Fiscal" Year may end,
Please put it on the credit side,
For by *its power* the "year" hath died.

It leaves me sad and lonely too,
For there are "others" all quite due;
But as I can only sing one tune,
I'll ask you wait till nearly June.
Yours, etc.,

S. H. DeLacy."

Mr. S. H. DeLacy,
Hatchechubbee, Alabama.

DEAR SIR:

Your "song" has been received in time
To "sing" within the "Fiscal Year";
We'll use the check; alas, we fear
We can't negotiate the rhyme.

There is an overplus just now
Of everything except the "gear."
On every bank the thyme grows wild
Yet Time the Banks will not allow.

But just to show you that we prize
Your verse no less'n we do your check,
At 12 G. M. we're still on deck
In kind our thanks to emphasize.

Very cordially yours,

J. K. ORR SHOE CO.,
H. E. CHOATE,
Treasurer."

"Bade Look on that Flowring Well."

PONCHATOU LA., October 11, 1907.

STANDARD SUPPLY CO.:

I will send your money soon. th \$141 40 ct I got bade look on
that Flowring Well ware i am now. you dont neatto worre about it
if you wood worre about it like i do you wood be dete so i will send it
soon

Your Thuy

JACKOB SCHUM.

A GOVERNMENT CURRENCY—SAFE, FLEXIBLE AND UNIFORM.

BY C. F. LATIMER, VICE-PRESIDENT NORTHERN NATIONAL BANK,
ASHLAND, WIS.

The recent financial flurry has evoked discussion of our currency system. In fact the subject has been earnestly discussed at different times for thirty years. Various "plans" have been proposed. Nearly every one of the so called plans have contained merit, but not one has met with the approval of our people.

The old original greenbackers had a plan: it satisfied the man who wanted to pay his debts with cheap money, but it did not satisfy the business man. The greenback theory was not without merit. Its supporters put their trust in the resources of the Government, but did not propose to back up their issue with a reserve such as the world recognizes as the only true reserve for the issuance of such money, viz., Coin.

Later on we have had the "Baltimore plan," the "Fowler plan," and asset currency plans without number, but all failed to meet the requirements after thoroughly sifting them to the bottom. At this time a Central Bank of Issue seems to meet with considerable favor in all parts of the country, but this Central Bank, owned and managed by the other banks of the country (as practically all the promoters of such a bank propose) would, in our opinion, meet with violent opposition on the part of the people, as it savors too much of monopoly and would be liable to be used for private ends.

Our currency lacks the quality of flexibility and is not uniform. At the present time it is a patch work of seven kinds, like Joseph's coat, of many colors. The asset currency theorists propose to put another patch upon the coat. They propose to take from the assets of the national bank, in which one deposits his money, sufficient of the assets to raise money with which to pay the other fellow.

The writer is a national bank officer, and has been for many years. He admires the national banking system from the banking standpoint. As banks of discount and deposit, in which men of moderate means as well as those of large resources can receive accommodations, they are without equal in any country. Any five men with \$25,000 can start a national bank. Government supervision is excellent and the loss to depositors is merely nominal. But the national bank as a bank of issue is a lamentable failure. The national bank note is an outgrowth of the war. It was created in order that the Government might float its bonds. It has served its purpose, and like the war taxes, should give way to something better. It is wrong in principle, and would not float except for the guarantee of Uncle Sam; and he, out of the kindness of his heart, pays the bank two per cent. interest upon bonds deposited, for the privilege of going good for the bank's notes. Practically all that a national bank now does in the way of issuing these notes, is to have its president and cashier sign them, and this is more often done with a stamp than otherwise. We are to-day paying the national banks some twelve millions of dollars annually as interest upon United States bonds deposited as security for notes that would not circulate at all except as guaranteed by the Government. The only return is in the shape of a tax of one half of one per cent. per annum. What other country is so generous with a special class of its people?

Our country and its resources are so great, the demand for a circulating medium so large and constantly increasing, it will be perhaps but a few years before the Government bonds will be exhausted. The

organization of new banks requiring bonds to secure circulation will probably exhaust the supply. At this time we are witness to the fact, that our Government is issuing many millions of bonds to be used in aiding the national banks to secure circulation, and not for the legitimate needs of the Government, as the Government now has on deposit with the national banks over 200 million of dollars, money which has been deposited from time to time to facilitate the business of our country.

The question naturally will be, What next? Shall we put another patch upon the coat, issue more bonds, more asset currency, or what? Someone may ask, "What plan is proposed that is better than the plans already brought forth"? In answer, we acknowledge that the subject is so serious that one hesitates about advancing any theory. To our mind, a return to first principles is necessary. Before our Constitution was adopted the various nations of the world used gold and silver as a medium of exchange. As the world progressed it was found that a representative paper currency was more desirable and convenient as a medium of exchange. To-day the average person takes a well protected paper currency in preference to either gold or silver, and *any paper currency not protected by a good coin reserve or guaranteed directly or indirectly by a government meets with little or no favor.* In our own country we have a currency to the amount of 350 million issued directly by the Government. Until there was a disposition on the part of the Government to redeem this paper money on demand in coin it was badly depreciated. Later on, when there was a doubt in the minds of the people as to whether the holder of the currency was to get gold or silver when the paper was presented, came the "endless chain," which nearly exhausted the gold in the United States Treasury, and would probably have done so, if the President had not issued bonds to protect the reserve. As soon as this was done, and it became known that the currency would be redeemed in as good coin as used by any nation, the trouble ceased, and no one has since doubted the value of our legal tender notes.

Such being the case, why not enlarge upon the proposition, and by so doing simplify our paper money and place it beyond the realm of politics?

Have a Board of Commissioners or Governors, appointed by the President and confirmed by the Senate, of not less than nine or more than fifteen men, who by experience in a financial way are qualified to fill a trust of great responsibility, men who will in no way be identified with the different banking interests of the country and will therefore be entirely independent in their actions; to hold their positions for life, and to be paid salaries such as the responsibility and dignity of such positions make them worth, placing them, as are our Judges of the Supreme Court, above reproach. Make the Secretary of the Treasury an ex-officio member of this body; place in charge of this body of Governors or Commissioners our entire treasury system, giving them power to issue Government notes, backed by a coin reserve of not less than forty per cent.; refund the legal tenders and treasury notes into a new form of Government note; refund the national bank notes into Government notes of like character; take the gold and silver certificates and do likewise. To do all of this and procure the necessary coin for reserve it may be necessary to issue United States bonds to quite an extent, possibly 400 million dollars, but as some 600 million will be surrendered by the banks the bond issue will be reduced about 200 million. The ultimate saving to the Government will be a large sum of money. The coin purchases will be naturally from the banks, as they will have no further use for

coin except for export, and it can then be procured on demand by the presentation of Government notes or by the presentation of securities, the kind of which we will mention later.

One might inquire, "What is meant by the word "Coin"? It may be said that coin should be construed to mean gold only; that gold is the only true measure of value; that everything should be measured by the gold standard.

We would not depart from that standard, neither would we wholly ignore silver.

Consolidating the gold and silver coined and in use in four of the most progressive nations of the world, viz.; the United States, Germany, France and the United Kingdom, we find that silver is used to the extent of $24\frac{1}{2}$ per cent. of the whole.

To do away with this metal as a part of our circulation, or as a part of our reserve, would be a move in the wrong direction and tend to disarrange values to a great extent.

Therefore, as substantially 25 per cent. of the coin held by four of the leading nations of the world is silver, we contend that our reserve should be held 75 per cent. in gold and 25 per cent. in silver.

By coin there is meant both gold and silver.

Thus far we have procured theoretically a uniform currency, protected by a coin reserve. How about its flexibility? How are we to issue new currency or withdraw the old as required?

The stock of money in the United States is something over 3 billion dollars. Of this some $2\frac{1}{2}$ billion is in coin or coin certificates, and of the coin $1\frac{1}{2}$ billion is in gold and some 700 million is in silver, 350 million is in legal tender notes and over 500 million is in national bank notes. All of the above should be converted into a new form of Government note, excepting the 40 per cent. reserve to be held in the Treasury, being practically the percentage of reserve now held by the banks and the Treasury. This could be done without the least possible friction or disturbance, and without the expansion or contraction of a single dollar.

To increase the amount, the Government could authorize the banks or others to deposit securities against which notes could be issued. Railroad bonds and bonds of other corporations which are subject to great depreciation and appreciation should not be used as such security, but the class of bonds so deposited should be of a *public character, such as municipal, county and state*, all to be carefully selected with a *good margin of security*, subject to a *graduated tax* as the circumstances warrant, forcing their withdrawal when no longer needed. Public securities could be lodged in advance with the Governors or Commissioners that they could be available as security for circulation at almost a moment's notice.

To avoid an accumulation of funds in the Treasury in excess of the amount required for the reserve and a working balance, deposit any surplus in National Banks, under the direction of the Governors or Commissioners, taking as security the same class of bonds as would be acceptable for an emergency circulation. The Governors or Commissioners should fix a rate of interest to be paid upon such deposits so that whenever there is a redundancy of money the Banks, in order to stop the payment of interest, could turn the deposits into the Treasury where they could be held until again needed. *Its action would be entirely automatic.*

The process outlined above would enhance the value of all classes of bonds issued by the people, lower the rate of interest on the same, and would be a healthful stimulus to the development of all public works.

Our aim has been to formulate a plan whereby the currency of our country can be placed beyond the realm of politics, out of the reach of men who might manipulate it for private ends, to give an uniform and flexible circulating medium with a percentage of coin reserve larger than almost any other nation, and *backed by the resources of a country unequalled in the history of man, the development of which are still in their infancy.*

There is a Difference between Ordinary Service and That of the Adjustment Bureaus.

Naturally most of the clients of the adjustment bureaus conducted by the members of the National Association of Credit Men take the benefits of the service they are rendered for granted and rarely express any special appreciation for the economies or efficient service obtained through these bureaus.

The bureaus do not desire recognition for their own satisfaction so much as for the advertising value of appreciative expressions. They would like their clients to apply to them the request advertised by a prominent New York house, "If you are satisfied with our service let others know, if dissatisfied let us know," because the bureaus are of open mind and desire nothing but to please their clients by prompt, economical and co-operative service.

Expressions like the following help along the cause of the bureaus and their work entitles them to many such.

"New Orleans Credit Men's Association,
Adjustment Bureau,
New Orleans, La.

DEAR SIRS:

We are in receipt of yours of the 4th with check for \$92.89, being 35 per cent. in full of our claim against F. J. De Gravelle.

We wish to thank you for the interest you have taken in this matter, and to add that the fee you have charged is certainly very modest and much less than we can figure as being sufficient to pay you for the trouble you have been put to in this case.

However, it is such settlements as these that give one confidence in the integrity and perpetuity of the adjustment bureaus of the credit men's association, showing as it does that they work alone for the mutual interest of all concerned. Again thanking you, we beg to remain,

Yours truly,

H. P. CHANDLER SONS & Co."

Baltimore, May 7, 1908.

Canada Needs the Kind of Laws Credit Men's Associations Have Successfully Advocated.

If by chance there are any left among credit men who think the struggles are not worth while which their fellows are making to secure proper legislation for the protection of creditors, such as strengthening the bankruptcy law and enacting laws for the regulating of the sales of stocks of goods in bulk, they should read the following letter recently received in the national office from a large hardware house in Manitoba.

It presents some very simple cases containing just such difficulties as credit men here have for some time been wrestling with and solving with increasing success.

"I presume the credit men of the United States encounter the same difficulties and have the same problems to face as those which come before us here. Indeed, I presume, since your business in the States is on a scale so much more extensive than ours, that you have met and solved the questions which arise in the conduct of a credit department. The Bulk Law and what your Association has done with reference to legislation in that matter are an evidence of this.

"I am led to write this letter and what I have said above because we have been confronted recently with a couple of cases which there is apparently no legislation here to meet, and this fact is requiring the attention of our wholesale houses. They are as follows:

"1. A merchant in one of our local villages made an assignment for the benefit of his creditors on the 25th October. Up to the 1st of October he had kept his books in pretty good shape. After that he had discontinued to do so. Especially he failed to make any entries in his cash book of receipts on accounts; deposited no money in bank, and did not make complete entries as to his daily cash sales. We put him on the witness stand under our Act, and upon his examination it transpired the he had collected some \$800 on accounts, sold a couple of hundred dollars worth of goods for cash, and realized \$350 on the sale of customers' notes, all during the month of November, without making any proper entries with reference to the same.

"On further examination he stated that he had spent all of this money except about \$60, which he had at that time, but he could give no data except for payments amounting to about \$200. There is not the slightest question in the world that he has the balance of the money in his pocket, or has it put away in some safe place.

"It seems to us that the secreting of a man's assets under such circumstances should be a criminal offence, but that apparently is not the law here, and we want to take steps to have legislation enacted.

"Now can you advise us as to whether there is any legislation in the United States which covers this point? Of course we are aware that you have a bankrupt law, which probably covers the point, but do you know whether prior to its passage there was any legislation which protected the wholesalers in such matters?

"2. About six months ago one George Henry came from one of the Dakotas to Hague, a small village in Saskatchewan. He had \$10,000 in cash, which he deposited in the local bank. He bought a general store and a hotel, paying very little cash thereon, and then started out to do business in the most extraordinary manner. On the strength of the \$10,000 he got credit from a lot of Winnipeg houses, the largest being \$6,000 for implements, and he bought from a lot of dry goods, hardware, boots and shoes and grocery houses until his liabilities amounted to \$60,000. The \$10,000, after his credit was reasonably established, was withdrawn from the bank. He sold the goods bought as above at less than cost, either for cash or for produce which could be turned readily into cash, paying for these latter extravagant prices. In this way he accumulated a number of carloads of cattle which he shipped and realized upon at once, and when finally our suspicions were aroused and a representative sent to Hague, he had decamped. The assets there were not more than \$20,000, if that, and the estate will probably not pay twenty cents on the dollar.

"When our representative went to Hague he was met with the objection that the man had done nothing wrong, and that he could

not very well be arrested, and so, though a warrant was sworn out against him, no effective effort was made to apprehend him.

"Now do you know of any legislation which would fit a case like that? No doubt there was some laxity on the part of the house which gave large credits, and yet \$10,000 cash is a basis for a good account, but it seems to us that a man who deliberately sets to work, as this fellow did, to defraud his creditors should be get-at-able by means of legislation framed to fit such a case.

"We tried to have proper laws passed in this regard at the last meeting of our Parliament, but the opposition of the retail houses was too strong. It is our intention to make a renewed effort in this direction."

CREDIT AND COMMERCIAL CASES FOR THE MONTH.

PREPARED FOR THE BULLETIN BY GEORGE H. MURDOCH, JR.,
NEW YORK, N. Y.

Acceptance of Order.—Where an order for goods is taken by a traveling salesman and transmitted to his employer, who thereupon writes to the proposed buyer acknowledging the receipt of the order, thanking him for it, and saying that it will receive prompt and careful attention, such communication is either in itself an absolute acceptance of the order, or is such an expression as may, in connection with an otherwise unexplained omission for a long time to make any further response, be deemed some evidence from which an acceptance may be inferred; if not conclusively an acceptance it may be given that effect if the subsequent conduct of the parties indicates that they have each so treated it. Such a communication may be regarded as having been interpreted as an acceptance by both parties where it is followed by correspondence between them, in which the buyer claims a right to change or cancel the order at any time in virtue of an asserted special agreement made with him by the agent who took it, and the seller denies the existence of such right and the making of such agreement.—*Bauman vs. McManus*, 89 P. (Kan.) 16.

Cancellation of Order.—Since, in the absence of evidence to the contrary, the presumption is that an order for goods taken by a commercial traveler is subject to approval by the house which he represents, and no contract results until order is accepted, the proposed buyer has an unqualified right to withdraw such an order at any time before it is accepted.—*Bauman vs. McManus*, 89 P. (Kan.) 16.

Compromise and Settlement.—A composition of the debt by a creditor with a debtor for 15 per cent. of the claim is valid, though, while the debtor wrote the creditor, as was the fact, that he was making that offer to every one, some of them insisted on having more, and got it.—*Morton vs. Clayton Hardware Co.*, 43 So. (Ala.) 185.

Confusion of Goods.—Where plaintiff in replevin against the sheriff to recover certain merchandise seized by the sheriff under attachments against a fraudulent vendor had intermingled the goods bought with other goods furnished by himself, the burden was on him to identify the original goods, and, if he failed so to do, the whole stock was liable to the attachment.—*Mugge vs. Jackson*, 43 So. (Fla.) 91.

Discharge in Bankruptcy.—After a debtor has been adjudicated a bankrupt, he may, by a new promise to pay a discharged debt, if clear, distinct, and unequivocal, become liable therefor in an action at law.—*Torrey vs. Kraus*, 43 So. (Ala.) 184.

Indebtedness Contracted by Receivers of Bankrupt.—Where an order appointing receivers to continue the business of a bankrupt authorized them to borrow money and incur obligations in an amount not exceeding \$3,000, as might thereafter be directed by the court, and the court subsequently authorized them to issue receivers' certificates to the amount of \$3,000, such order was notice to all dealing with the receivers that they had no authority to contract further indebtedness, and persons who thereafter sold them property on credit in excess of that amount cannot have priority of their claims therefor against the estate.—*In re Erie Lumber Co.*, 150 F. (U. S.) 818.

Rights of Creditors under Chattel Mortgage.—A chattel mortgage recited that the mortgagor was not able to care for its debts as they came due; that a solution of its financial difficulties lay in the successful operation of the plant during 1903-04; that the mortgagor was indebted to others whom it desired to secure in consideration of their delaying attempts to enforce collection of their claims until it could obtain the profits of 1903-04, and give the unsecured creditors 60 days in which to accept the offered security and to extend the payment of their claims until May 1, 1904, and provided that, when creditors representing half of the indebtedness should accept the chattel mortgage, it should become effective, and recited that it was given for the benefit of those only who made such acceptance and agreed to such extension. *Held*, that the chattel mortgage was voidable as to creditors who did not avail themselves of its provisions under Comp. Laws 1897, sec. 9533, providing that conveyances of property made with intent to hinder, delay, or defraud creditors shall be void as against such creditors.—*Wood vs. Elderedge*, 111 N. W. (Mich.) 168.

Foreign Corporations Doing Business in the State.—A foreign corporation by soliciting and taking orders in the state by commercial travelers, having no capital employed, no goods stored, or branch office, in the state, is not "doing business within" the state, so as to require it, under Corporation Law, Laws 1892, pp. 1805, 1806, c. 687, secs. 15, 16, to obtain a certificate in order to maintain an action.—*Vio Chemical Co. in Studholme*, 103 N. Y. S., 463.

LOCAL ASSOCIATION NOTES.

Atlanta.

The Credit Men's Association of Atlanta held its annual meeting May 15th in the assembly room of the Chamber of Commerce. It was a meeting notable for its harmony, enthusiasm and determination to make the new year effective and productive of results for credit men's interests.

President Choate in his annual address called upon the members to give their officers loyal support next year, as it is only by so doing that such progress can be made by the association as is right to look for from Atlanta. He urged particularly that the question of forming an information bureau, as outlined by President Gettys during his recent visit to Atlanta, be taken up and made a part of the business of next year.

Mr. Choate was followed by Alexander W. Smith, who spoke on "Relations of Attorney and Credit Man," H. Y. McCord on "The General Outlook," and Bolling H. Jones on "The Crisis of 1907 and its Lessons." Mr. Smith won a rising vote of thanks by his picturing of the wonderful possibilities of the National Association of Credit Men.

It was such as to inspire genuine devotion to the work mapped out by the founders of the Association.

Although President Choate declared emphatically that he would not stand for re-election the members without exception demanded that he again serve them, and the election resulted as follows: H. E. Choate, for president; J. W. Harlan, first vice-president; Bolling H. Jones, second vice-president; E. L. Rhodes, secretary and treasurer.

All present arose and pledged their earnest support for the most successful year the association ever has had.

A Dutch supper followed the business session.

Buffalo.

The annual meeting of the Buffalo Credit Men's Association was held May 14th at Lafayette Hotel.

The election of officers for the ensuing year resulted as follows: W. L. Fox, president, Henry C. Steul as vice-president and F. J. Smith as treasurer. Also there were elected fifteen delegates to represent the association at the Denver convention.

The main topic of the meeting was the "Buffalo Railroad Terminal Question," and several leaders in the discussion of this problem which is taking place in the city had been invited to speak. Among them were W. E. Haupt, Esq., who presented the views of the Citizens' Union. Dr. De Witt G. Wilcox humorously reviewed the struggle of Buffalo for its improved railroad facilities.

Colonel Supplee of Baltimore was then introduced and called upon all business men to join in restoring commerce to its normal conditions, because there is no reason why the brakes should not now be unloosed and the car of commerce be allowed to take on greater speed. He showed what chances business men had to perform patriotic services for their land.

Referring to the terminal troubles of Buffalo, Colonel Supplee related the tribulations of Baltimore in its efforts to compel the railroads to provide adequate passenger and freight facilities. He spoke of the advantageous geographical situation of Buffalo and urged her citizens to look to the future by taking steps to hold for the city its water-front, as it can be made the source of much profit to the city.

Officers and committees rendered their annual reports, the secretary's calling attention to an increase in membership of nearly twenty-five per cent. during the year and the treasurer's showing a very satisfactory condition.

The membership committee reported several new members.

Chicago.

At the April meeting of the Chicago Credit Men's Association two notable addresses were presented, one by James I. Ennis, Esq., on "Bank Checks" and the other by H. J. Furber, Jr., general counsel of the Chicago Board of Fire Underwriters, on "Insurance Rates and Losses." Mr. Furber's address was an eloquent appeal to every thinking patriotic American to call a halt on the spirit of waste, which so characterizes the nation and which is exhibited in the complacent attitude it takes toward its extraordinary fire waste. Mr. Furber also warned his hearers against the cut-rate companies and pointed briefly to insurance history, which was largely made up of obituary notices of the cut-rate concerns.

He also contrasted the legislation in European countries regarding matters of insurance with that of many states here and showed that the laws of foreign nations aimed in every way to protect the

insurance company against attempts of the insured to get the best of companies and make profit from their insurance.

Cleveland.

The Cleveland Association held its regular monthly meeting May 27th. There were 150 members and guests present. The treasurer's report showed the prosecution fund had \$566 in hand.

President J. B. Pearce took occasion to thank the Hon. J. J. Sullivan, Ex-United States District Attorney, for the interest he has always taken in the association and particularly for his assistance in helping secure the passage of the Bulk Sales Law in Ohio. Mr. Whipple, of the Membership Committee, then read the names of nine new members who were duly admitted.

W. E. Clarke, of the Legislative Committee referred to the passage of the Bulk Sales Bill, the bill providing for the refiling of chattel mortgages every three years instead of annually as has been the custom and the Thomas Bank Inspection Bill, providing for the state inspection of state banks and trust companies. The latter law, Mr. Clarke said, will go far toward strengthening the public confidence in the banks in the state of Ohio. He declared that it is to be regretted that the passage of a law so obviously necessary had been so long delayed.

Bernard Bigsby, Jr., of the Commercial Agency Committee, reported on the activity of the association in securing information relative to the methods of commercial agencies and in turning such information over to members. E. P. Beebe, of the Business Literature Committee offered the suggestion that members make greater use of the expression, "We are a member of the National Association of Credit Men" on their stationery.

Fred P. Thomas, of Fred P. Thomas & Company, then addressed the association on "Fire Insurance from an Underwriter's Point of View."

Chas. E. Doty, of the Caxton Building Company, spoke to the association on the subject, "Fire Insurance from One Who Buys It."

H. C. Nelson, of the Sherwin-Williams Company, then addressed the association, taking as his subject, "Fire Insurance from the Credit Man's View or Educating the Merchant on Fire Insurance."

President Pearce then announced the appointment of the following committee to prepare resolutions and recommendations to be offered at the Denver convention: Thos. P. Robbins, chairman; Harry New, W. F. Lyon, Frank H. Randel and A. L. Somers.

W. M. Pattison, vice-president of the association and chairman of the Transportation Committee, then took charge of the meeting and threw on the screen 100 beautifully colored slides showing the magnificent scenes and natural wonders in the Yellowstone National Park. The exhibition was especially interesting in view of the fact that the special trip arranged by the Cleveland Association is to include a five-day tour of the Yellowstone National Park.

Dallas.

The Dallas Association of Credit Men held its annual meeting May 19th, at the Oriental Hotel. The meeting was marked by splendid enthusiasm and good fellowship.

A number of members of the Ft. Worth Association of Credit Men were among the guests at the banquet which followed the business meeting.

Officers for the ensuing year were elected unanimously as follows:

H. P. McKnight, president; G. A. Trumbull, vice-president; A. V. Lane, treasurer. Delegates to the Denver convention were also elected.

After the meeting had listened to the annual reports of officers and committees, addresses were made by several members of the Dallas and Ft. Worth Associations including R. P. Smith, president of the latter association and also by A. P. Foute, a director of the National Association.

Mr. Foute aroused much enthusiasm in his talk regarding the legislative work which awaits the attention of the associations in Texas. He emphasized especially the necessity of passing a bulk sales law and declared that such a law would hit only dishonest creditors. He declared that the time had come when the business men of the country must get into politics and ask for legislation that was vital to their interests and to the interests of the country at large. They had submitted, he said, long enough to legislation by demagogues who spent most of their time lambasting corporations, railroads and other business interests that were building up and developing the country, and he thought it high time that solid business men should enter the political arena in their own behalf.

The speaker declared if Dallas, Tarrant and a few other counties would pull together in the matter, the credit men could accomplish the passage of the law. Mr. Foute said that credit men should send representatives over the state to educate the people upon the necessity for the bulk sales law; then they should get their men down to Austin and see that the bill is enacted.

Mr. Foute pointed out that the great army of traveling men could do much in this matter, and he counseled that the business houses having representatives traveling the state should direct their men to enter upon a campaign of education in behalf of the law. He declared that it should be directed particularly upon the retailers of the state, and that when the retailers advocated the passage of such a bill its enactment would be assured.

Resolutions were then adopted advocating the passage of the bulk sales law, and also resolutions calling upon the senators and representatives from Texas to Congress, not only to oppose the repeal of the bankruptcy act, but to use their best endeavors to secure favorable action upon the amendments to the act which had been prepared by the Bankruptcy Committee of the National Association.

The latter resolution brought up some discussion of the efficiency of the bankruptcy law, but it was generally agreed that its benefits far outweigh its faults, and the main difficulty is that creditors do not take advantage of the privileges granted by the law, and that such defects as there are, are well covered by the amendments now before Congress.

Several earnest talks were made regarding the credit men in Texas uniting together to bring the convention of 1910 to Texas. The members of the Ft. Worth Association who were present declared that they were ready to pull with the Dallas members to this end.

Denver.

The May meeting of the Denver Credit Men's Association was held at Colorado Traffic Club, May 13th.

George L. Nye gave a talk on the Bulk Sales Law in Colorado. Mr. Nye expressed the opinion that there were several points in the Colorado law which would not stand the test of the courts and suggested that a committee be appointed to frame improvements in the law, so that its constitutionality will be undoubted. Mr. Nye also advocated that business

men unite to send one of their number to each of the houses of the legislature to advocate and work for the enactment of proper business legislation. A general discussion followed Mr. Nye's remarks. Mr. Griffith related how, when a member of the upper house he had been able to bring about the enactment of the bulk sales law, and agreed with Mr. Nye's suggestion that two business men should be elected next fall to the legislature.

L. B. Bridaham stated for the information of the members present, that the Business Men's League formed for the purpose of nominating a business men's ticket for the coming city election was permanent and that all members of the Denver Credit Men's Association should co-operate with the league.

At the conclusion of this discussion, Mr. Gillette called attention to articles on the Prosecution Fund that had been printed in two local newspapers, and said that the same were to appear in a number of country papers circulating in Denver jobbing territory, also, that the retail grocers of the state had requested permission to publish the article in their trade paper.

Detroit.

The Detroit Credit Men's Association held its monthly meeting May 26th. At this meeting important reports were made by the Legislative and Adjustment Bureau Committees, the former offering a resolution in favor of an effort on the part of the National Committee to secure the passage of a National Lien Law.

The Adjustment Bureau Committee reported in favor of establishing a bureau under the auspices of the Detroit Association, preferably as an incorporated organization. It was decided to postpone definite action in the matter until the next regular meeting.

Addresses along a humorous vein were made by Wm. Johnson and Prof. A. H. Griffith.

Fire insurance problems occupied the attention of the Detroit Credit Men's Association at their April 28th meeting, and proved to be a highly interesting subject. The principal speakers were Walter G. Sealy, Jr., formerly president of the Detroit Credit Men's Association; John P. Goodrich, a well known insurance man, and J. G. Carver, state agent of the Liverpool and London and Globe Insurance Company.

Mr. Carver's address had to do with loss adjustments and the restrictions which govern after a loss by fire. He gave an insight into the professional adjuster's business, showing with what variety of experience the adjuster must deal before he is really competent to handle losses in such a way as to treat strictly fairly with both parties in the loss. He called attention to the enormous sums involved in the insurance business and declared that no line of business probably puts out so great an amount of money on so many contracts with so little litigation as do the fire insurance companies under their policy contracts, and he felt sure that no other corporations deal more fairly with their claimants than these insurance companies. And he disputed with those who carelessly insist that companies seek as a rule to take advantage of small technicalities on claims. Mr. Carver said this is strictly not true of the reputable companies.

Mr. Carver also asked the members to work for the adoption of a fire marshal law in Michigan, for it has been fully demonstrated that by means of the fire marshal's department the number of fires is diminished.

Grand Rapids.

The Grand Rapids Credit Men's Association presented a program to its members of unusual interest May 19th. The meeting was held at Hotel Pantlind as usual, and was an illustration of what an active and determined entertainment committee can do to arouse interest and make a success of the monthly association meeting. The reception of three new members at this time brought the membership to 200.

Charles Holden, chairman of the committee in charge of the meeting, introduced the speakers who were H. C. Cornelius, who spoke on "My Observations in Texas and Oklahoma"; R. W. Irwin on "The Making of a Credit Man"; the Rev. O. C. A. Boecler on "The Keystone of Success"; W. R. Fox on "The Great Value of a Good Credit Man"; Benn M. Corwin on "The Sales in Bulk Act as Affirmed by the Michigan Supreme Court"; Lee M. Hutchins on "Should the Terms of Credit to our Customers be Shortened? Applied to Manufacturers, Jobbers and Retailers," and Geo. Clafferton on "The 20th Century Business Man."

At the conclusion of the Rev. Mr. Boecler's address, he gave expression to the following: "The successful man—it is he who remembers always that there is a space between himself and the goal and continually fights to get there up to the last trench—it is that spirit which brings him to success."

Mr. Irwin, speaking of the qualifications of the good credit man, urged upon employers to see to it that the young men in their employ are given the opportunity to improve themselves and thus to become more valuable in and to the business world.

Benn M. Corwin called attention to the fact that the Michigan Bulk Sales Law had become a well established law because it had now come before the Supreme Court at four different times. He reviewed the circumstances surrounding each case.

Mr. Clapperton, in describing the twentieth century business man, showed how he appreciated the economic power of co-operation. "He is a man," said Mr. Clapperton, "who harnesses the various forces of nature and uses them for the benefit of mankind, and his genius in the production of wealth cannot work for him without having all mankind share his wealth."

Lee M. Hutchins, dealing with the question of shorter cash terms, declared that the expense of conducting business at the present time is a factor which has made necessary shorter terms of sale. He showed the progress which had already been made toward this much-desired condition of doing business on a cash basis and declared that inevitably "business is gradually coming to a cash basis."

The social side of the Grand Rapids meetings is greatly emphasized and at this meeting the members were asked to make the Denver convention and the possibility of going there the main topic of their conversation.

Memphis.

One of the largest and most enthusiastic meetings in the history of the Memphis Credit Men's Association was held May 19th in the rooms of the Business Men's Club. The meeting was preceded by a dinner. This was the regular annual meeting and written reports were submitted by the standing committees.

A report was also submitted by the president of the Adjustment Bureau, reviewing the work of the bureau during the past year. He made recommendations for still further extending the scope of the bureau with the idea of having all the members concentrate their claims in it.

The administration of the previous year was endorsed by the re-election of the old officers, as follows: C. S. Faxon, president; W. A. Williford, vice-president; W. R. Gross, treasurer.

The reports showed that the association is in a very flourishing condition with increase in membership and greater activity in all departments of work than ever before in the association's history.

Nashville.

The annual meeting of the Nashville Credit Men's Association was held May 5th at the rooms of the Board of Trade.

The election of officers resulted in the following choice: W. H. Harrison, for president; R. P. Crockett, for first vice-president; A. H. Meyer, for second vice-president; Geo. M. Thomas, secretary and treasurer, and Charles H. Warwick, assistant secretary and treasurer.

The election followed the reports of outgoing officers and committees, all of which indicated a very active and satisfactory year in the association's work.

The committee on legislation, looking forward into next year, recommended that the association work for the passage of a general assignment law which, in a sense, would supplement the bankruptcy law.

President McWhorter also, in his retiring address, urged attention to this law and also impressed upon the members the fact that Nashville must establish an adjustment bureau and get those advantages of better returns from failures which creditors secure through bureau settlements.

The association had the pleasure of the presence of President F. M. Gettys, of the National Association, who also urged the members to get together and form an adjustment bureau. He pointed out how great a factor in legislation the credit men of the country in association had become, in fact he believed, the greatest factor among business interests to-day for securing better business laws.

Other speakers were A. J. Harris, J. T. Howell, H. H. Nance and W. H. Williamson.

Newark.

The regular monthly meeting of the Newark Association of Credit Men, held May 12th, was a notably interesting occasion. The committee having in charge the entertainment had secured J. S. Fetting, advertising manager for one of Newark's largest concerns, to talk on "advertising," and he made the subject the means of stimulating new thought in his hearers. He showed how the successful advertising man is nothing more nor less than a reporter whose business it is to bring before the public, in a way that forces their attention, the news and facts regarding the articles he wants to build up a demand in. He showed also how uplifting have been the write-ups of the advertiser creating, as they have, desires for things which mean higher standards of living and which result in elevating the taste and culture of the community. He showed how various are the modes of advertising, used as it is in all departments of life. He declared that only through publicity can men let the world know of our country's magnitude, resources and possibilities and develop our industries and commerce to their fullest glory.

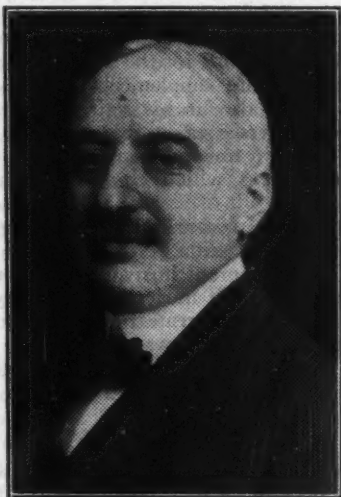
Announcement was made at the close of the meeting that a Bureau of Adjustment had been appointed to formulate rules and regulations for a bureau and appoint a manager.

Pittsburgh.

On May 19th was held the annual meeting of the Pittsburgh Association of Credit Men. It marked the close of W. A. Given's seventh year of active service for the association as its presiding officer and many were the appreciative expressions regarding Mr. Given's devotion to the best interests of the association during these many years. It was shown in review how great had been the progress of the association in influence and accomplishments during his administrations.

On the announcement of Mr. Given's retirement he was tendered by D. C. Shaw, a splendid silver service, as a testimonial of the members' regard and of the appreciation felt for his faithful services.

In its report, the legislative committee brought up a line of work which it believed the incoming committee might take up with great advantage to credit grantors. The report cited some of the difficulties with which business men must contend in the collection of accounts. It showed that in cases involving an account of less than \$300 in suit before



ENOCH RAUH,

PRESIDENT PITTSBURGH ASSOCIATION OF CREDIT MEN.

an alderman, an appeal could be taken by the debtor if judgment was entered against him and the case would go to a Common Pleas Court.

Because of the tremendous business of Common Pleas Courts it often took from two to three years for the case to be heard, and by the time the matter was adjusted the debtor had had time to dissipate his assets, so that the creditor lost everything.

To overcome this and provide prompt and effective means of trying cases on appeal the committee recommended that the legislature be asked to establish municipal courts where appeals from decisions in aldermen's courts could be taken in cases involving \$300 or less and thus secure a prompt hearing. It would relieve the Common Pleas Courts of a vast amount of work, expedite the business of the courts in equity proceedings and enable either side of a suit to get a prompt hearing.

An appeal from such a court as proposed would be direct to the

Supreme Court which would cut short the long, tedious method that now prevails in the matter of settling small claims.

The report made it clear that the committee was aiming at a very weak point in the judicial system of Pennsylvania and was the sort of difficulty which the Credit Men's Associations of the state should take up. The association expressed its hearty approval of the recommendations made by the committee and referred the matter to the incoming legislative committee for further investigation and the preparation of a proper bill to overcome the difficulty.

The election of officers for the ensuing year resulted as follows: Enoch Rauh, as president, A. H. Darragh, first vice-president, G. Brown Hill, second vice-president, Cyrus Lewis, treasurer, and A. C. Ellis, secretary.

Portland, Ore.

The regular monthly meeting of the Portland Association of Credit Men was held on May 20th at the rooms of the new Commercial Club Building. This meeting was one of the best regular meetings that the association has ever held.

There were seven new members reported. This makes an increase of over 21 per cent. in the last two months. The main address of the evening was given by George E. Frost, credit man of The Bankers' and Lumbermen's Bank. At the close of Mr. Frost's paper, the president called on John A. Keating, vice-president of The Bankers' and Lumbermen's Bank, who explained the comparative desirability of the different kinds of loans. He emphasized, especially, the value of short time commercial paper, that is, paper that matures within thirty, sixty or ninety days, but it must not only be paper that matures in that time, said Mr. Keating, but must represent transactions that will be completed within that time and the money made available for retiring the notes.

The people that furnish this class of paper are merchants and manufacturers, and the especial reason why banks want this kind of paper is that with it they are in a position to protect themselves in the event of a fluctuation of deposits.

Mr. Frost's address and Mr. Keating's remarks were especially interesting and gave their hearers a better understanding of the bankers' problems. At the close of the meeting, everyone present heartily concurred with President Rutherford in thanking Mr. Frost and Mr. Keating for their instructive talks.

E. B. Duffy of the Denver & Rio Grande Railroad was present, and told the delegates something of what they might expect in the way of scenery on the trip to Denver.

St. Louis.

One hundred and forty-seven members of the St. Louis Credit Men's Association were in attendance at the annual meeting held May 14th. President Conrades was in the chair, and after dinner had been served introduced the speakers of the evening.

Isaac Lionberger made an address on "The Duration of the Depression," quoting statistics regarding the panics which have occurred during the last two centuries. He expressed considerable doubt about there being a rapid recovery from the recent panic with which sentiment the members of the association took issue and adopted unanimously the following resolution which had been offered by Geo. R. Barclay and seconded by John B. Strauch:

"Be it resolved that the St. Louis Credit Men's Association

heartily endorses the work of the National Prosperity Association of St. Louis, and will do all in its power to stimulate the movement."

George J. Tansey, president of the St. Louis Transfer Co., spoke on "A Growing City." His address had to do mainly with the discussion which is rife regarding locating conveniently the freight terminals of St. Louis.

After these addresses the meeting listened to the annual reports of officers and committees.

The election of officers for the year commencing July 1st next was taken up, resulting in the election of E. H. Dyer as president, Floyd E. Norwine as vice-president, and John R. Cooke as treasurer.

President Conrades thereupon called upon the newly elected officers, who responded with expressions of appreciation for the honors given them by their fellow members, and with pledges of earnest efforts to make the new year one of larger usefulness than ever.

It was voted to amend the constitution by making the dues twelve dollars per year, instead of ten dollars. The following was then offered by D. W. Pomeroy and unanimously adopted:

"*Resolved*, That our delegation to the next National Convention submit the following resolution and use proper effort to secure its passage:

"*Resolved*, That the members of this association may at their discretion, cause to be submitted to their customers, as emanating from the National Association, the following:

"The National Association of Credit Men, in convention assembled, begs to suggest to merchants desiring to obtain goods on credit, that if they would incorporate in their financial statements amount of insurance on stock, names of companies, amounts of policies, dates of expiration, stating that there is a clause in above policies making loss, if any, payable to (any local banker) as Trustee to be paid, first to merchandise creditors whose sales have been made within a year from date of loss, balance to the assured, that same would be a great help to them, as well as the credit man, in arriving at a proper line of credit."

St. Paul.

There was a large gathering of the members of the St. Paul Credit Men's Association at the meeting held May 12th to hear a discussion of fire insurance problems, led by Percy Parker, Esq.

Referring to "wild-cat" companies Mr. Parker stated that it is the duty of business men to be loyal to those companies, which by maintaining large bureaus of information and experiment, supporting salvage corps and spreading their risks so that the country merchant as well as the best protected office structures of our cities can secure insurance, are loyal to the business interests of the country.

He warned in general against mutual companies because their mortality rates are exceedingly high and more frequently than not their capital and surplus are too small to stand a hard run of luck such as is apt to strike every company now and then. Again Mr. Parker called upon the National Association of Credit Men to lead in a movement to bring about a convention of the insurance commissioners of the various states for the purpose of devising a policy contract to meet the needs of trade and commerce, to be adopted by the legislatures of every state of the Union.

Further he advised his hearers to urge their country customers, when fire wipes out their property, to get in touch with a first-class

public adjuster, for in such a time the country merchant needs an assistant, as familiar with figures, statements and values as are the companies' adjusters.

The afternoon of the day of the meeting was spent by fifty or more of the members in a visit to the stockyards, located at South St. Paul.

Seattle.

The Seattle Credit Men's Association held its regular monthly meeting May 18th at the "Perry," the principal address being made by the Rev. F. J. Van Horn on the "Moral Aspect of Business." The association is emphasizing the advantages which come through the social opportunities afforded by its meetings and at each meeting has a committee responsible for the success of this feature of the meeting. It is felt that the comradeship which this social side is inspiring will do much to bring the business interests of Seattle close together for the upbuilding of the city as a center of trade.

Toledo.

The Toledo Association of Credit Men at its annual meeting, held May 8th, elected the following as its officers for the ensuing year: J. H. Paddock, as president; Lawrence Raab, as vice-president; W. S. Buckhout, as treasurer.

The April meeting was devoted to fire insurance topics, Merwin Jackson of the firm of Merrill, Dodge & Jackson, presenting a paper, in which he took up what seemed to him the salient points which the layman needs to know with reference to insurance. He called attention to many unwise and unnecessary laws in the various states intended presumably to protect the public which but made the business of the honest, law-abiding companies more difficult to perform and were not really useful in protecting the public against the "wild-cat" companies because such companies are not much bothered by laws anyhow. He instanced the state of Massachusetts, which of all the states, has the fewest laws governing insurance companies, though its requirements as to financial responsibility are the most rigid and the citizens of that state enjoy the lowest rates in the Union and have the smallest number of contested claims.

After the reading of the paper there was a general discussion, several of the members asking Mr. Jackson to describe what the city of Toledo could do to lower its rate. Mr. Jackson named a few improvements which might be made and gave an estimate of the amount which would be saved to Toledo citizens with the installation of each improvement.

Wichita.

Members of the Wichita Credit Men's Association listened to an illustrated lecture with scenes depicting the most practical credit systems endorsed by the National Association and private concerns, at their meeting and banquet held May 11 in the dining room of the Chamber of Commerce. Copies of the different card and index systems used in the handling of credits were reproduced upon a screen and discussed by F. W. George.

Many of the sets of cards which were presented on the screen had been received through the courtesy of the Cleveland Association of Credit Men and Mr. George also showed several of the forms successfully used by the Shattuck-George Iron Company.

Collection cards, record cards, voucher systems, financial statements, accounts payable, voucher checks, records of customers separately and collectively and their standing in the different towns, check and draft systems, were among the different sets thrown upon the screen.

Convention matters were brought up and the members agreed that as many of their members as possible would attend the Denver convention in a body, and it is probable that a special car will be chartered for the twenty or twenty-five Wichita members who now are planning to take in the convention. Regular delegates were also elected at this meeting.

WANTS.

WANTED—Man of forty-two with wide mercantile, office and selling and some advertising experience, desires position where ability will count. Now employed as credit man but can handle larger interests. Has managed branch houses. Thoroughly familiar with modern office systems; capable of managing a large office. East preferred. Address A. A. B., care Chas. E. Meek, 41 Park Row, New York, N. Y.

WANTED—By a party who is assistant manager in the collection department of a house having a very large number of accounts, and who has entire charge of the legal end of this department, an opening as credit and collection man, where there is a chance for recognition and advancement. Applicant is an accountant versed in commercial law, has had eleven years of experience in credits and collections, and has handled successfully business correspondence. Can furnish the best of references. Middle or far west is preferred. Address M. R. Y., care Chas. E. Meek, 41 Park Row, New York, N. Y.

WANTED—An experienced credit man who has a good knowledge of collection law is wanted by a large mill supply house in an Eastern Middle State. Applicants should be well educated, be thoroughly adaptable to credit and collection work, and able to handle ordinary claims where it is necessary to sue if collection cannot be made otherwise. Address O. G. W., care Chas. E. Meek, 41 Park Row, New York, N. Y.

WANTED—Credit man who has had excellent office experience, is familiar with accounting and collections and has very high credentials, is desirous of making a change for excellent reasons. He is thirty-five years of age and married. Address B. E. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

OFFICE MANAGER wants position with wholesale or manufacturing concern. Has had seven years of experience with largest manufacturers in the South. Satisfactory reasons for making change, and references furnished. Communicate with P. O. Box 392, Lynchburg, Va.

OPENING with good future prospects desired by credit man; age 29; four years' successful experience as credit, collection and office executive with large woolen and worsted goods mill. Also competent shorthand writer and qualified for private secretarial work. Reference, present employers. Address V. M. E., care Chas. E. Meek, 41 Park Row, New York, N. Y.

WANTED—By a young man who has had excellent training and experience in credit department work under the best of tutelage, a position in a house offering a wider field than in his present position. Is used to handling a large correspondence and to analyzing statements as basis for credit. The best of references will be given and bond can be furnished. Address P. L. O., care Chas. E. Meek, 41 Park Row, New York, N. Y.

WANTED—An eastern mechanical rubber goods manufacturer is about to establish a credit and collection department and wants an experienced man to take charge of this work. Will want someone willing to begin at a moderate salary,

yet competent to take full charge and rely upon the growth of the business and results shown in his department for his chances of advancement. Address F. N. H., care Chas. E. Meek, 41 Park Row, New York, N. Y.

A POSITION is open for a bookkeeper and credit man, in a recently established New York City branch. One familiar with collections and the retail grocery trade preferred. References and bond required. Address with expectations as to salary, Food Products, care Chas. E. Meek, 41 Park Row, New York, N. Y.

AN OPPORTUNITY is open in the credit and collection department of a large concern for a bright man who is well educated, capable of writing courteous, effective letters and who has persistence of character to follow up obstinate accounts. He must be a man of unquestionable character in every respect. Applicants may address their communications with complete information and with references to Z. I. H., care Chas. E. Meek, 41 Park Row, New York, N. Y.

AN OPENING is wanted by man of 30 as credit man or private secretary. Has had four years' of experience in credits and collections. Ten years in general office lines. Thoroughly familiar with modern accounting methods, good correspondent, a hard worker. Desires position where ability and devotion to business will bring recognition. Best of references furnished. Would prefer location in the middle west. Address W. Y. A., care Chas. E. Meek, 41 Park Row, New York, N. Y.

MANAGER OR CREDIT MAN—Man 35 years of age, now secretary of a large jobbing house in the middle west, desires connection with jobbing or manufacturing concern. Experienced in every detail of business management, handling salesmen, organization, office systematizing, etc. Location immaterial. Address I. M. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

STANDING COMMITTEES, 1907-1908.

LEGISLATIVE COMMITTEE.

A. J. Gaehr, Chairman, The Geo. Worthington Co., Cleveland, Ohio.
R. A. Porter, Goodall, Brown & Co., Birmingham, Ala.
Robert S. Teague, Teague & Sons, Montgomery, Ala.
Jas. J. Mandelbaum, Fones Bros. Hdw. Co., Little Rock, Ark.
J. D. Simpson, Simpson & Hack Fruit Co., Los Angeles, Cal.
W. M. Gray, Brunswick Drug Co., San Diego, Cal.
Albert Kahn, McNutt & Kahn, San Francisco, Cal.
Jno. Callis, R. G. Dun & Co., Denver, Col.
Guy P. Miller, Bridgeport Brass Co., Bridgeport, Conn.
E. N. Wead, E. I. Dupont de Nemours Powder Co., Wilmington, Del.
J. D. Holmes, Baker & Holmes Co., Jacksonville, Fla.
David H. Kirkland, J. K. Orr Shoe Co., Atlanta, Ga.
W. R. Finegan, Jos. Rosenheim & Sons, Savannah, Ga.
Court J. Northrop Hardware Co., Boise, Idaho.
W. J. Lipsey, Carter & Holmes, Chicago, Ill.
Frank H. Goheen, Hide, Leather and Belting Co., Indianapolis, Ind.
W. L. Brown, Brown-Hurley Hdw. Co., Des Moines, Iowa.
E. C. Currier, Hansen Glass and Paint Co., Sioux City, Iowa.
John B. House, Lehman-Higgins Gro. Co., Wichita, Kan.
Joseph Le Compte, Lexington Roller Mills Co., Lexington, Ky.

W. H. Bradbury, Carter Dry Goods Co., Louisville, Ky.
W. E. Lovejoy, Fairbanks Co., New Orleans, La.
Geo. F. Pitt, The Twitchell-Champlin Co., Portland, Me.
Sylvan Hayes Lauchheimer, 111 No. Charles St., Baltimore, Md.
Fred. L. Howard, C. A. Browning & Co., Boston, Mass.
Frank R. Hamburger, Hamburger & Silberman, Detroit, Mich.
Walter K. Plumb, National Biscuit Co., Grand Rapids, Mich.
Daniel Waite, Blake & Waite Co., Duluth, Minn.
Jas. F. Jordan, Wyman, Partridge & Co., Minneapolis, Minn.
D. P. Whyte, Finch, Van Slyke & McConville, St. Paul, Minn.
Samuel Rothenberg, Marks-Rothenberg Co., Meridian, Miss.
F. W. Yale, 315 Dwight Bldg., Kansas City, Mo.
T. P. Holland, Tootle, Wheeler & Motter Merc. Co., St. Joseph, Mo.
E. S. Murphy, Geo. W. Perry & Co., St. Louis, Mo.
Chas. E. Beebe, Beebe Grain Co., Butte, Mont.
W. A. Selleck, Western Supply Co., Lincoln, Neb.
F. E. Pearce, Paxton & Gallagher Co., Omaha, Neb.
Walter Wright, Gray, Reid, Wright Co., Reno, Nev.
Chas. T. Page, Page Belting Co., Concord, N. H.
C. E. Burnett, American Oil & Supply Co., Newark, N. J.
C. C. Robbins, Gross, Kelly & Co., Las Vegas, N. M.

STANDING COMMITTEES, 1907-1908—Continued.

M. E. Preisch, Haines Lumber Co., Buffalo, N. Y.
 M. E. Bannin, Converse, Stanton & Co., New York, N. Y.
 Geo. G. Ford, Lewis P. Ross, Rochester, N. Y.
 C. F. Polk, Polk & Calder Drug Co., Troy, N. Y.
 J. Norman Wills, Odell Hdw. Co., Greensboro, N. C.
 Nelson A. Burdick, Hall Robertson Hdw. Co., Fargo, N. D.
 W. B. Johnston, The P. R. Mitchell Co., Cincinnati, Ohio.
 B. G. Watson, Watson, Stouffer, Davis & Headley, Columbus, Ohio.
 E. W. Eastell, Alinsworth Shoe Co., Toledo, Ohio.
 A. D. Thomas, J. R. Thomas' Sons, Youngstown, Ohio.
 J. E. O'Neil, Richards & Conover Hdw. Co., Oklahoma City, Okla.
 Ralph W. Hoyt, Merchants' National Bank, Portland, Ore.
 Clayton F. Shoemaker, Shoemaker & Busch, Philadelphia, Pa.
 J. T. Montgomery, M. A. Mead & Co., Pittsburgh, Pa.
 Howard Slade, Westcott, Slade & Balcom Co., Providence, R. I.
 E. H. Fincken, Fincken-Jordan Co., Charleston, S. C.
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